



## Pretoria seeking to lure Lavi experts

By HIRSH GOODMAN  
Post Defence Correspondent

The South African government has initiated a systematic campaign to attract engineers and technicians who worked on the Lavi project. According to reports that have reached "The Jerusalem Post" from reliable sources, the South Africans are concentrating on a highly specialized group of about 600 Lavi developers among the 3,000 persons destined to be fired from Israel Aircraft Industries. The Pretoria government has also approached key project officers still employed by IAI.

The South Africans are offering salaries of \$40 an hour and \$7,000 a month that will be deposited in a European account on behalf of the employees, the reports say. In addition to salary, work contracts also include wide-ranging benefits, such as generous housing and transportation allowances.

While officials at IAI refuse to answer any questions on the subject, they say that they cannot prevent former Lavi employees from accepting such contracts, and cannot impose limits on knowledge about the project that these employees may take with them. "You can't prevent a person from taking his head with him, no matter how many copies of the Official Secrets Act he has signed," one official said when asked about the problem.

The recently instituted official guidelines limiting Israel's military cooperation with South Africa also do not apply, because those employees who sign on with the South African military industries will be doing so as individuals.

The intense South African recruiting effort does not come as a surprise to military observers. Since the mid-1970s, following the international embargo on arms sales to South Africa, the South Africans have invested heavily in building up a sophisticated military-industrial infrastructure.

Today, that infrastructure is highly developed, producing a wide range of missiles, armoured vehicles, artillery, munitions and, recently, the Chestal, a South African version of the Mirage — some say the Kfir.

It is entirely consistent with this effort that South Africa should attempt to attract these highly qualified Israelis, not only to enhance its own new fighter development programme, but also to use them on a wide range of related projects.

Attempts to establish how many Israelis have accepted South African contracts have proved unsuccessful.

The phenomenon, however, has been widespread enough to attract official attention here, with some in the defence establishment recommending that thought be given to the consequences of the potential drain of classified knowledge from Israel to South Africa, and the damage it could do to Israel's security.

There is also a danger that Lavi technologies reaching South Africa could make it a competitor with Israel in attempts to sell them. South Africa and Israel share many potential clients who have been barred from obtaining sophisticated weapon technologies from the U.S.

## Herzog leaves today on U.S. visit

President Herzog leaves this morning for a seven-day visit to the U.S. This will be the first state visit of an Israeli president to the U.S. Herzog will be greeted by President Reagan at a ceremony on the White House lawn tomorrow morning. He will also meet with heads of both houses of Congress, and with Secretary of State George Shultz. In New York, he will meet with the UN secretary-general and the Roman Catholic cardinal of the city.

The two ministers who abstained, Energy Minister Moshe Shahal and Education Minister Yitzhak Navon, did not challenge the report. Rather, they sought to make supplementary proposals, and when they failed to get their colleagues' support, they

## Missiles on Baghdad and terror action mark opening of Amman summit

### Abu Nidal group 'seajacks Israelis'

Jerusalem Post Staff and Agencies  
BEIRUT. — The Abu Nidal Palestinian terrorist group stated yesterday that it had seized eight Europeans with dual Israeli nationality from a yacht off the Gaza coast, and warned Israel that any retaliatory attack on Palestinian refugee camps in Lebanon would endanger the lives of the hostages.

The Israeli Navy, Military Intelligence and other government units are checking the report, but authoritative government sources said last night that no Israeli vessel was missing and that there was no sign that the people Abu Nidal says he captured were Israelis.

At a news conference at a West Beirut hotel, the Al-Fatah Revolutionary Council named six of the prisoners and said five of them also had Belgian passports and the sixth a French passport. The group identified the other prisoners as two little Hebrew-speaking girls.

A Fatah-RC spokesman, Walid Khaled, said the prisoners "were treated at a Fatah-RC military base and will be taken to a safe place where

the International Red Cross Committee can visit them."

The group gave the prisoners' passport numbers and dates and places of issue. It identified the five holders of Belgian passports as Fernand Houtekins, 40, Emmanuel Houtekins, 42, Mrs. Godelieve Kets, Valerie Emmanuel Houtekins, 16, and Laurent Emmanuel Houtekins, 17. It named the French passport-holder as Mrs. Jacqueline Valente, 30.

Khaled said one of the group's naval commando units boarded the boat, the Silco, off Gaza. The boat is 13.30 metres long and weighs 17 tons, he said, and was flying the Belgian and Israeli flags. He said the boat was registered under number 05336-800 on June 25, 1985, at Cannes, "in the name of the Zionist, Fernand Houtekins."

Khaled refused to indicate the date of the operation. He warned Israel that "any retaliatory action against Palestinian camps would endanger the prisoners' lives."

An Israeli military source last night said the name of the vessel was "not familiar." A vessel



A spokesman for the Abu Nidal gang claims at a press conference in Beirut yesterday that the group had captured a yacht off Gaza. (AFP)

sailing under that name had not left Israel recently and was not due here, he said.

Moreover, the authorities checked the computer which lists all holders of identity cards — and the names Abu Nidal's organization mentioned do not appear there. It was impossible for a person to have an Israeli passport but not have an identity card and thus not appear on the list of residents, a senior Interior Ministry official said.

The Abu Nidal spokesman said the episode was "a slap for the Zionised King of Amman" and for the "Zionised leaders" taking part in the Arab summit meeting which opened yesterday in the Jordanian capital.

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## Hussein urges Arab unity against Israel

By Post Middle East Staff and Agencies

Jordan's King Hussein opened the emergency Arab summit in Amman yesterday evening with a plea for Arab unity to end the Iran-Iraq war and confront Israel.

Minutes before his speech, an Iraqi missile slammed into a residential area of Baghdad, killing at least 10 people and wounding over 100, according to an Iraqi military spokesman.

In Beirut, the Abu Nidal terrorist group claimed it had abducted a group of dual nationals carrying Israeli passports from a yacht off the Gaza coast, as "a slap in the face of the Zionised leaders in Amman."

Unrest was reported in the West Bank and Gaza Strip, apparently timed to coincide with the summit opening (see accompanying stories).

"Disunity is the basic sickness of the Arab body," the Jordanian king told presidents, hereditary rulers

and ministers from all 21 Arab League member nations meeting for their first full summit in eight years. "The only way to overcome it is to adopt unified positions and build up the Arabs' own strength," he declared.

Hussein said dangers from the seven-year-old Gulf war were no longer limited to Iraq. "They have now spread to engulf the sister states of Kuwait and Saudi Arabia. What is happening is not just a war between Iraq and Iran. ... It is threatening the security of the whole region and world peace."

Hussein said the struggle with Israel was the main Arab cause. "All the Arabs must feel the horrors of the Israeli occupation day by day," he said. "The Arabs must confront 'Zionist expansionism' and devote their energies to face both Israel and Iran."

The Iranian missile attack on Baghdad hit a densely populated neighbourhood, killing at least six children and four women, and wounding 106 people, according to

(Continued on Page 2, Col. 3)

## 11 die, 48 hurt in blast at Ulster memorial ceremony

ENNISKILLEN, Northern Ireland (Reuters). — A massive bomb ripped through a Remembrance Day crowd gathering for a wreath-laying ceremony in Northern Ireland yesterday, killing 11 people and injuring 48, police said.

The bomb went off as ex-servicemen, soldiers, police and local dignitaries waited for the start of the traditional November service to commemorate those killed in two world wars.

It exploded in a local community centre in the County Fermanagh town of Enniskillen, catching about 50 people using the lee of the building to shelter from driving rain.

The front wall collapsed, then in a scene of panic and chaos soldiers and policemen dug frantically with bare hands to pull people from the rubble. Children screamed in terror as they ran about hunting for their parents.

"It was awful. I saw at least five bodies covered in blankets and I think there are many more dead. They are still digging in the rubble," one eyewitness said.

No-one immediately claimed responsibility for the blast. It was one of the bloodiest guerrilla attacks in Northern Ireland, where 2,600 people have died in the last 18 years as the outlawed Irish Republican Army (IRA) battled to oust the British.

Prime Minister Margaret Thatcher, herself the target of an IRA bomb in 1984 which killed five people at a British Conservative party conference, was swift and furious in her condemnation of the Enniskillen bombers.

"To do this at a time when people were remembering the dead of two world wars and conflicts since then, people who died in defence of freedom, shows an appalling depth of callousness and inhumanity," she said.

In Dublin Irish Prime Minister Charles Haughey also expressed his anger and revulsion at the carnage wrought by the bomb.

Northern Ireland police had warned for several weeks that the IRA was planning a retaliation strike after suffering several recent setbacks.



Iraqi president Saddam Hussein with Jordan's King Hussein at a ceremony during the Arab summit in Amman. (AFP)

## Where there's smoke there's incense in the Kuwaiti suite

AMMAN (AFP). — Jordanian security forces went on full alert yesterday and marksmen prepared to shoot at smoke wafted from the windows of the fifth floor of Amman's Plaza hotel, the fortified residence of Arab heads of state attending an emergency summit.

But the fumes that filled the corridors of the fifth floor, where the Lebanese president, Kuwaiti emir and Moroccan crown prince are staying, proved harmless, and even the crack security troops smiled when told the smoke came from burning incense at the Kuwaiti suite.

The momentary panic highlighted the hair-trigger state of security surrounding Arab leaders as they prepared to open the emergency meeting called to discuss the Gulf and Arab-Israeli conflicts.

Arab leaders began arriving in the

Jordanian capital on Saturday with an army of assistants, bodyguards and cooks.

To ensure their safety, several heads of state kept a tight lid over their arrival time, and at least one leader sent decoy planes before his aircraft landed to an official welcome and a 21-gun salute.

Inside the luxurious hotel, special accommodation arrangements were made to ensure that feuding Arab leaders would not be neighbours. Thanks to Jordanian tact and diplomacy, Iraqi President Saddam Hussein was given a suite on the eighth floor while Hafez Assad of Syria checked into the first floor.

Outside, a helicopter stands ready to fly Arab leaders to the Al-Hassan medical city, where surgeons are fully prepared to handle emergency operations.

## 'He'll be treated with all respect'

### Tunisia calm after Bourguiba ouster

TUNIS (Reuters). — Tunisians calmly accepted the removal of Habib Bourguiba as president, but a government source said yesterday that key political figures remained under house arrest.

Bourguiba's son, Habib Bourguiba Jr., who was placed under house arrest on Saturday, was freed yesterday and told he could move about freely, an authoritative government source said.

Bourguiba Jr., 60, a former foreign minister, made no secret of the difficulties he experienced living in his father's shadow.

A clash between the two men resulted in his dismissal as a special adviser to the president in January, 1986.

There were no troop reinforcements in the streets of Tunis and most residents were relaxed about Saturday's announcement by Prime Minister Zine al-Abidine Ben Ali that he was assuming power. He said Bourguiba, who is 84 and had been in power for 31 years, since Tunisia obtained independence from France, was removed because doctors had declared him senile and unfit for office. Official media said the presidency had been "effectively vacant" for years.

A government source, however, suggested that Bourguiba had been deposed partly because he was not prepared to show clemency to five Moslem fundamentalists captured by police after they were sentenced in their absence at a mass treason trial.

The new prime minister, Hedi Baccouche, said in a radio interview on Saturday that Bourguiba was still in Carthage Palace outside the capital. He said the former president could be transferred with his doctors and entourage to the eastern town of Sfax, where he could lead a normal life "treated with all respect."

The government source said the decision to send the veteran leader into retirement was prompted by two issues — his frequent cabinet changes and differences over the death sentences for the Islamic fundamentalists.

Bourguiba had appointed, shuffled and dismissed a bewildering succession of ministers in the last few years, naming Ben Ali, a 51-year-old former general and interior minister, as prime minister barely a month ago.

When he changed prime ministers, as he had done twice in 15

(Continued on Page 2, Col. 2)

## IDF soldier killed in Lebanon

By DAVID RUDGE  
Jerusalem Post Reporter

ROSH HANIKRA. — An IDF soldier, Rav-Turai Haim Knafo, 19, of Tel Aviv, was killed when a roadside bomb exploded inside the security zone in South Lebanon yesterday morning. Several hours earlier, Katyusha rockets fell in Galilee for the third time in less than a week.

Knafo's death and the rocket attack followed a night of mortar and artillery duels between terrorists and South Lebanese Army troops.

Observers in Israel and South Lebanon said the incidents, coming hard on the heels of last week's assault by Hizbullah gunmen on an SLA stronghold, indicated an upsurge in terrorist activities after a few months of relative quiet.

The observers could not say, however, whether there was a connection between the incidents and the Arab summit meeting in Amman.

Knafo was killed when the army vehicle in which he was travelling detonated an explosive device planted by terrorists in the Ali Tahr hills in the central sector of the security zone. The incident occurred at about 9 a.m. while an IDF motorized unit was patrolling along the perimeter of the security zone, the army spokesman reported.

The Katyusha attack on Galilee

(Continued on Page 2, Col. 5)

## Ministers say interrogators 'need modicum of flexibility'

### Cabinet to set up watchdog group over Shin Bet

By ASHER WALLFISH  
Jerusalem Post Reporter

The cabinet yesterday overwhelmingly endorsed the report of the Landau Commission of Inquiry into the interrogation and testimony procedures of the General Security Service by 19 votes for, none against and two abstentions.

The two ministers who abstained, Energy Minister Moshe Shahal and Education Minister Yitzhak Navon, did not challenge the report. Rather, they sought to make supplementary proposals, and when they failed to get their colleagues' support, they

cast abstaining votes in protest.

The cabinet resolution, which followed a three-hour discussion taking up the bulk of the weekly session, stressed its appreciation to the Landau Commission for its work, and instructed "the authorities involved" to act in accordance with the commission's recommendations.

The cabinet also approved the creation of a committee of ministers (as the commission suggested) comprising the prime minister, the vice premier, the defence minister and the justice minister, to study special issues related to the GSS which are

submitted to it by the prime minister, including methods of interrogating suspected Arab terrorists.

According to one informed source, it will, in effect, be a permanent committee, which will convene as often as the prime minister sees fit, and apart from shaping the guidelines for interrogation procedures in the GSS, may take up proposals for new legislation.

For the time being, however, the cabinet is solidly against changing the law to create a special framework for interrogating terrorist suspects, as opposed to ordinary criminal suspects.

Shahal, however, took the view that the interrogators had to have their powers meticulously defined. Otherwise, the conviction of terrorists may be overturned on appeal, if a higher court finds that the law had been violated, and that the confessions extracted under pressure had been obtained by illegal means. He failed to convince his fellow minis-

(Continued on Back Page)

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## The weather at major Swissair destinations

| City         | Temp | Wind | Clouds |
|--------------|------|------|--------|
| Amsterdam    | 10   | 10   | Cloudy |
| Berlin       | 11   | 10   | Cloudy |
| Bombay       | 27   | 10   | Cloudy |
| Brussels     | 11   | 10   | Cloudy |
| Cairo        | 27   | 10   | Cloudy |
| Copenhagen   | 11   | 10   | Cloudy |
| Frankfurt    | 11   | 10   | Cloudy |
| Geneva       | 11   | 10   | Cloudy |
| Helsinki     | 11   | 10   | Cloudy |
| Hong Kong    | 27   | 10   | Cloudy |
| Johannesburg | 27   | 10   | Cloudy |
| Lisbon       | 11   | 10   | Cloudy |
| London       | 11   | 10   | Cloudy |
| Madrid       | 11   | 10   | Cloudy |
| Moscow       | 11   | 10   | Cloudy |
| Paris        | 11   | 10   | Cloudy |
| Rome         | 11   | 10   | Cloudy |
| Sao Paulo    | 27   | 10   | Cloudy |
| Stockholm    | 11   | 10   | Cloudy |
| Tokyo        | 11   | 10   | Cloudy |
| Zurich       | 11   | 10   | Cloudy |

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## THE WEATHER

Forecast: Cloudy to partly cloudy, slight increase in temperatures.

| City        | Temp | Wind | Clouds |
|-------------|------|------|--------|
| Jerusalem   | 10   | 10   | Cloudy |
| Cairo       | 27   | 10   | Cloudy |
| Nairobi     | 27   | 10   | Cloudy |
| Safed       | 10   | 10   | Cloudy |
| Haifa Port  | 10   | 10   | Cloudy |
| Tiberias    | 10   | 10   | Cloudy |
| Nazareth    | 10   | 10   | Cloudy |
| Afula       | 10   | 10   | Cloudy |
| Shomron     | 10   | 10   | Cloudy |
| Tel Aviv    | 10   | 10   | Cloudy |
| B-G Airport | 10   | 10   | Cloudy |
| Jericho     | 10   | 10   | Cloudy |
| Gaza        | 10   | 10   | Cloudy |
| Beersheba   | 10   | 10   | Cloudy |
| Eilat       | 10   | 10   | Cloudy |

## SOCIAL & PERSONAL

"November 1938 - Kristallnacht Revisited - Are there lessons?" Speaker: Dr. Pesach Schindler, Hebrew University Forum, tonight at eight, Conservative Centre, 2 Agon Street, Jerusalem. Admission fee.

## ARRIVALS

Richard Schubert, president of the American Red Cross, is to go on trial Thursday in the party's supreme court, said yesterday that he is not the only Herutnik whose views on peace challenge the party's norms.

## Mansdorf asked not to play in Jo'burg

Post Diplomatic Correspondent  
The Foreign Ministry yesterday lodged a protest with the Israel Tennis Association about Amos Mansdorf's planned participation in the South African Open championships, which takes place next week in Johannesburg.

The ministry, which under Political Director-General Yossi Beilin has been pressing for the severance of all sports and cultural ties with Pretoria, conceded in the letter, signed by Beilin aide Alon Liel, that the inner cabinet decisions of last March and September do not specifically forbid the participation of individuals in such events. Nonetheless, the ministry called upon the association to persuade its prominent members not to play in South Africa.

Ministry officials yesterday feared that the participation of Mansdorf and possibly other Israelis would again highlight Israeli-South African ties, causing Israel diplomatic damage in Africa and elsewhere. This would be particularly true if Mansdorf wins the title, as he did last year, and thus receives widespread media coverage.

## A hunt for polite drivers

Jerusalem Post Reporter  
HAIFA. - Drivers will be pleased to be caught by any of the thousand traffic observers who yesterday started a three month look-out for polite drivers on city roads.

The project, prepared by the Haifa branch of the National Accident Prevention Council, aims to award certificates of merit and prizes. The observers will look out for drivers who permit other drivers to join the flow of traffic; give pedestrians a chance; stop to assist drivers in distress; and bother to stop to remove obstacles from the road.

To help the drive, residents are asked to report unusual acts of road courtesy. The council's address is P.O.B. 202, Haifa.

Tonight's National League basketball line-up: Maccabi Netanya v Elitzur Ramle; Maccabi Ramat Gan v Hapoel Tel Aviv; Hapoel Haifa v Betar Tel Aviv; Hapoel Jerusalem v Elitzur Netanya; Maccabi Tel Aviv v Maccabi Haifa; Galil Elyon v Hapoel Holon.

A few places available on the TOUR VA'ALEH trip to GUSH ETZION, Tuesday, Nov. 10. Details and reservations: Tour Va'aleh, 3 Ben Yehuda, Tel. 02-245222, 202346.

## HOME NEWS

# Makhteshim operating without a licence

By BRADLEY BURSTON  
Jerusalem Post Reporter  
BEERSHEBA. - Makhteshim, the Negev chemical concern threatened with closure over alleged toxic waste dumping practices, has operated for years without a valid licence. Interior Ministry officials confirmed yesterday.

The Negev district representative, Sholom Danino, told *The Jerusalem Post* that the longstanding policy to allow the plant to continue operations without a licence was taken "in consideration of the conditions under which the factory worked, and bearing in mind the large number of workers employed there." The plant is among the Negev's principal

employers, with some 1,500 workers. But, Danino warned, following a recent Supreme Court decision directing the plant to revise its dumping practices, Makhteshim management has until today to produce an emergency programme to improve toxic waste disposal practices, or risk closure as early as next month.

The Supreme Court directive resulted from a lawsuit brought by residents of Beersheba's Neve Noy neighbourhood, built alongside the river-bed into which Makhteshim's chemical wastes flowed until earlier this year. Yesterday, government scientists revealed that high levels of

mercury had been detected in lots sold by the Beersheba Municipality to private homebuilders in Neve Noy. Makhteshim has been said to be the source of the potentially hazardous mercury.

Local environmentalists have long maintained that the lack of a business licence gave Makhteshim a "shield of immunity" from official environmental and public safety regulations. "There was no way to touch them," observed a former Health Ministry physician yesterday. "If they had no licence, you could not threaten to close them down by taking it away."

As a result of recent efforts to force the factory to submit to envi-

ronmental regulations, however, Makhteshim received a conditional operating licence last week. Two days later, the Interior Ministry's district planning board voted unanimously to close down Makhteshim if a plan to pipe toxic wastes to the Ramat Hovav storage facility is not completed by December 31.

Meanwhile, the residents of the Neve Noy neighbourhood expressed surprise and anger yesterday at the reports of high mercury levels in lots sold by the municipality and by the Israel Lands Administration.

The lots were reportedly sold contrary to the recommendations of Interior Ministry scientists, one of whom, Prof. Itamar Vilner, has

called for further testing in light of what he termed "a high degree of risk to residential housing from soil mercury."

"Mercury is one of the most dangerous poisons," Vilner told reporters last week, noting that the effects of mercury-induced poisoning may be immediate or gradual, and, in extreme cases, may cause death from cancer.

Shlomo Levy, spokesman for the Beersheba Municipality, said that a thorough study had been undertaken by a city commission before the land was offered for sale, and that the city was convinced the area was safe for building.

## West Bank unrest linked to Amman meet

By JOEL GREENBERG  
Jerusalem Post Reporter  
The IDF clamped curfews yesterday on two refugee camps in the West Bank to quell unrest linked by security sources to the opening of the Arab summit conference in Amman.

At the Far'a refugee camp in the northern West Bank, protesters burned tyres, tried to block a road and hurled stones at IDF soldiers and Border Police, military sources said. The troops fired rubber bullets and tear-gas canisters to break up the crowd. A Palestinian woman was cut in the face when she tried to grab a rifle from a Border Policeman, according to the sources. A curfew imposed on the camp was lifted after midnight.

A curfew was also imposed at the Balata refugee camp near Nablus after dozens of youths, some of them masked, set up stone roadblocks, burned tyres and threw stones and empty bottles at security forces. The troops fired rubber bullets and tear-gas canisters and later fired shots in the air. The curfew was lifted after dark.

Scattered incidents of stone-throwing and tyre-burning were reported in other locations, including Nablus, where protesters raised Palestinian flags and built stone barricades. Stones were thrown at Israeli cars in the northern West Bank, but there were no casualties and no damage was caused.

A Palestinian flag was also raised in East Jerusalem, an eyewitness said.

Palestinians in Gaza said pupils demonstrated in the town's main street and hurled stones at troops. An eyewitness said soldiers aimed shots close to the protesters and arrested dozens of pupils while dispersing the crowd. Military sources said stone roadblocks were erected along the street and the windshield of a police van was smashed by stones.

The sources said youths hurled stones at an Israeli car on El-Wahda Street and smashed its windshield, and a parked vehicle with Gaza plates was burned in the Fares market downtown. Groups of pupils hurled stones and bottles in other parts of the city.

## Amirav defends his stand

By ANDY COURT  
For The Jerusalem Post

Herut central committee member Moshe Amirav, who is to go on trial Thursday in the party's supreme court, said yesterday that he is not the only Herutnik whose views on peace challenge the party's norms. "A number of people in leadership positions in Herut think as I do," Amirav said. "Many people, Knesset members and others, would leave the Likud if Ariel Sharon became chairman of the movement. They see him as representing something other than the Likud."

Speaking at a symposium at the Van Leer Institute in Jerusalem last night, Amirav outlined the peace plan that he presented in August to Palestinians affiliated with the PLO. The plan calls for a "partnership over the land" and seeks to carry the principle of autonomy to the point where it might be acceptable, or at least attractive, to the Palestinians now living in the territories.

His opinions will go on trial Thursday, when a panel of judges considers a petition by another party member to expel Amirav. Meron Benvenisti, director of the West Bank Data Project and co-participant in the symposium, saw Amirav's recent efforts as an attempt to break the current trend of denying the legitimacy of the Palestinians as a people.

He cited a recent Dahaf survey which found that more than 50 per cent of Jewish Israeli high school students were in favour of reducing the rights of Israeli Arabs, even though three-quarters of them wanted a democratic state.

Though the answers seem contradictory, there's no contradiction in the students' minds, because they have already come to think of Arabs, even Israeli Arabs, as people who "simply don't belong," Benvenisti said.

A "terrorist" becomes anyone who identifies with the PLO, and thus 90 per cent of the Arabs in the territories can be discounted as terrorists, he said.

## TUNISIA

(Continued from Page One)

months, he also altered the succession to the presidency, which had for years been Tunisia's most sensitive political issue.

The five convicted fundamentalists - one of whom had been sentenced to death - had been due to appear before the State Security Court today but the session has now been indefinitely postponed. Seven death sentences were handed out at the trial and two defendants already in custody were hanged last month.

Ben Ali, who as interior minister had orchestrated the crackdown on the underground Islamic opposition, was Bourguiba's constitutional successor. His takeover was welcomed at home and abroad, notably by Algeria, Libya and Mauritania, as well as by former colonial power France.

Ben Ali, who has sweeping powers under the constitution and remains in power until the next scheduled general elections in 1991, pledged on taking office to reform constitutional statutes concerning presidential succession.

## HUSSEIN

(Continued from Page One)

the official Iraqi news agency. Though Iraq said only one missile had landed, Iran said its Revolutionary Guards had fired two missiles into the Iraqi capital in retaliation for Iraqi raids on "non-military targets" in recent days.

Earlier in the day, Hussein held talks with Syrian President Hafez Assad, Iran's strongest Arab backer, in a new bid to reconcile him with his arch-foe, Iraqi President Saddam Hussein.

Gulf sources said the six Gulf states plan to restore full diplomatic relations with Egypt even if the summit rejects their plea for the formal rehabilitation of Cairo. The sources said the decision was taken in principle by leaders of the Gulf Cooperation Council before the summit.

"If the issue is vetoed by any Arab state, the Gulf countries will restore ties individually," said one source. The Gulf states want to return Egypt to the Arab fold to counter what they see as a growing military threat from Iran.

Egypt was ejected from the Arab League and most Arab countries cut their ties with Cairo following its 1979 peace treaty with Israel.

Syria and Libya have adamantly opposed the restoration of ties with Egypt.

Muammar Gaddafi, who earlier threatened to boycott the summit, sent his deputy, Abdel-Salam Jaloud, but Libya's official news agency harshly attacked the Gulf states for seeking Egypt's readmission. King Hussein was expected to raise the issue when the summit moved into closed session after his formal opening speech.

Unprecedented security measures were reported throughout the Jordanian capital. The conference area has been cordoned off and local residents have been moved away.

Hussein greeted most of the heads of state at Amman airport, but he left it to Prime Minister Zeid al-Rifa'i to give PLO leader Yasser Arafat a low-key welcome.

Arafat was back in Amman for the first time since February 1986, when Hussein broke off coordination with the PLO on a joint approach to peace talks with Israel.

Jordan, Iraq and conservative Arab states were determined to seek backing for last July's UN Security Council Resolution 598, which orders a Gulf war cease-fire.

Arab League Secretary-General Chedli Klibi, in an address last night, denounced Iran for threatening Kuwait and attacking commercial shipping in the Gulf. He urged the UN to impose sanctions on Tehran unless it accepts a cease-fire, in accordance with Resolution 598. Klibi described the end of the war as a prerequisite for efforts to unify the Arab world against Israel.

Syria has indicated it will block any move for a collective break in Arab ties with Tehran and will demand withdrawal from the Gulf of Western naval forces.

Arab and Western diplomats in Amman said Assad would be at the centre of battles to swing Syria away from its alliance with Iran. "It's Syria's summit," said an Arab diplomat, adding that Assad had shown his diplomatic muscle weeks ago when he forced acceptance of an open agenda that would include the Arab-Israeli conflict as well as the Gulf war debate originally proposed.

"Nothing is going to happen without Assad's support," said a Western diplomat.

## Green light for new unit to encourage organ donors

By JUDY SIEGEL

Health Minister Shoshana Arbeli-Almosino decided yesterday to accept and immediately implement recommendations by a blue-ribbon panel to encourage the donation of organs for transplant. A facility staffed with doctors, social workers, rabbis and psychologists will operate from a hospital in the centre of the country, expediting organ donations.

The committee, which began work 10 weeks ago, was headed by Prof. Zaki Shapira, a top kidney-transplant surgeon at Beilinson Hospital. It included Prof. Joseph Borman, who headed the Hadassah team in Jerusalem that performed the country's first successful heart transplant; Dr. Yigal Kam, who heads the liver-transplant unit at Haifa's Rambam Hospital; Dr. Haim Gordon of Kaplan; and Dr. Abraham Sahar of Sheba at Tel Hashomer.

They had been asked by the minister to find ways of increasing the number of organs donated for transplant. The lack of organs has prevented Rambam from performing another liver transplant and Hadassah from doing another heart transplant.

In addition, kidneys, corneas, skin and other organs are in short supply, forcing many patients either to go abroad for more expensive surgery or to endure hardships - and sometimes die - while waiting. The proposed transplant centre will operate 24 hours a day and consist of interdisciplinary teams. When informed of a potential donor, they will immediately go to the hospital where the deceased or brain-dead patient is, persuade the family to donate organs, and facilitate the transfer of the organs.

According to the panel's recommendations, hospitals and individual hospital staff members who are responsible for large numbers of donated organs (by persuading relatives of the deceased) will be eligible for "bonuses" - although this will probably not mean money for individuals, but study tours, etc.

Ministry Director-General Dr. Yoram Lass will soon issue directives to all hospital staff members on how to facilitate the donation of organs. Seminars for medical staffers in all the hospitals will also be held to increase awareness.

An information campaign will also be launched in the printed and electronic media to promote membership in ADI, the voluntary organization set up by the Ben-Dror family (whose son died after waiting too long for a transplant), which claims to have 200,000 members who have signed a tab on their driver's licence agreeing to donate organs for transplant.

The minister said she fully supports the recommendations and believes that their implementation will remove barriers to widespread transplantation in Israel. She called on the public and the medical establishment to join in the effort to save lives.

Lass said that carrying out the recommendations could bring about a "revolution," and that he would prepare a budgetary proposal to finance the plan.

So far, the hospitals that perform heart and liver transplants have had to cover expenses themselves, but the ministry says that when their number increases, it will negotiate a system for financing the operations by the government, the hospital and the health funds.

## Second chance for KH chief

By JEFF BLACK

For The Jerusalem Post  
Kupat Holim, Chait head Haim Doron is being given another chance to revitalize the strife-ridden health fund, Histadrut Secretary-General Yisrael Kessar said last night.

At yesterday's Histadrut central committee meeting, many delegates called for Doron's removal following the dispute between the health fund's management and doctors, which has led to the closure of all the outpatient clinics at Kupat Holim general hospitals.

Kessar said Kupat Holim's organizational structure needs urgent and far-reaching changes, but these do not include sacking Doron. The proposed changes include appointing four deputies under Doron to take charge of the finance, administration, health, and members' departments.

The appointment of these deputies, Kessar said, would not signify a vote of no-confidence in Doron. They would reflect a growing move towards the decentralization of the health fund, he said, adding that there are plans to give Kupat Holim hospitals more autonomy over their budgets on April 1.

The central problem facing Kupat Holim is inadequate funding from the government, and no new chairman will be able to alter that, Kessar said. The Histadrut's central committee will resume its discussion on Kupat Holim's problems next Sunday.

## Injunction sought in IBA strike

Jerusalem Post Reporters

A Tel Aviv lawyer, Yehuda Granot, yesterday appealed to the High Court to issue an interim injunction against both the Israel Broadcasting Authority and the National Association of Journalists to bring about the immediate resumption of radio and TV broadcasts. Granot, who was represented by Shimon Shovar, argued that the IBA was in breach of its legal obligation to render a service to the public. He stated that the strike was an infringement of his rights and those of other listeners and viewers to receive wide-ranging information on world affairs.

PRIZE - Yigal Shilo, professor of archaeology at the Hebrew University, has been awarded this year's Jerusalem Prize in archaeology. Shilo headed the archaeological team excavating the City of David.

## Arafat sends message to the people of Israel

TEL AVIV (Itim). - "The people of Israel must be made to know that you can't simply eliminate five million Palestinians and ignore their national rights, just like you can't get rid of Israel. We must strive for a just solution for the good of both peoples and live in peace."

PLO chairman Yasser Arafat told the Moscow correspondent of the Israel Communist Party's paper, Leon Zahavi. In his interview with Zahavi in Moscow on Saturday, Arafat said he was addressing the people of Israel to drive home the message that "I am striving for a solution to the Israel-Palestinian conflict. Failure to find such a solution could lead to a local war, which could well escalate into a world war and a nuclear holocaust that would wipe out the human race."

Arafat continued: "The PLO accepts all the decisions of the UN concerning the conflict, including Resolution 242, an acceptance which we have announced publicly at international conferences. The PLO perceives all these decisions as part of an all-inclusive package, which it accepts in toto, as opposed to the government of Israel which accepts only one decision and rejects all the others. That is a deception."

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## IDF soldier

(Continued from Page One)

occurred two hours earlier, just as residents in the area were getting their children ready for school. Four rockets, of the 122 mm variety, fell in quick succession, damaging an irrigation pipe and some avocado trees, but causing no injuries.

David Tzedek, a resident of the region, said there were four loud explosions. "The blasts shook the house and the children asked what the noise was," said Tzedek, who has four children.

He stressed, however, that there was no panic and the locals, including the children, took the incident in their stride.

Tzedek maintained that residents were more concerned about the financial crisis affecting "confrontation-line" farming settlements than about the security situation.

Earlier, during the night, there was a heavy exchange of fire between terrorists and SLA troops in the central sector of the zone, north of Bint J'bal village.

The fighting started at about 1:30 a.m. when terrorists, believed to be members of the Iranian-backed Hizbullah, opened fire with mortars, RPGs and light weapons towards several SLA strongholds. The gunmen also fired a number of Katyusha rockets at the SLA posts.

The South Lebanese Army troops responded with artillery, mortar and machine-gun fire towards the terrorists' positions.

The shooting continued intermittently for over three hours. There were no casualties among the SLA troops.

One Katyusha rocket reportedly fell 50 metres from an Israeli Unifil post in the central sector of the zone.

Unifil sources said six posts manned by Irish troops were hit by mortar fire during the fighting, causing damage but no injuries. The sources said they had not been able to determine the origin of the firing.

## BRIEFS

### Indictment in Yom Kippur slaying of daughter

TEL AVIV (Itim). - Shalom Hamu, 63, was charged in the district court here yesterday with slaying his 23-year-old daughter to death.

According to the indictment, Hamu had a history of violent arguments with family members, particularly his daughter. At about 4 a.m. on Yom Kippur he allegedly stabbed her in the back and chest three times while she was asleep, puncturing her lung. She was taken to hospital, where she died soon afterwards.

### Kollek won't attend Belgium birthday bash

Jerusalem Mayor Teddy Kollek will boycott the birthday celebration for the Belgian monarch to be held on November 15 by the Belgian consulate, it was announced yesterday. The action is a protest against the Jerusalem consulate's decision to hold separate parties for Arabs and Jews. (Itim)

### Panel calls for Shabbat activities in Jerusalem

Special areas in downtown Jerusalem should be set aside for cultural activities and entertainment on Shabbat, according to a committee that Jerusalem Mayor Teddy Kollek appointed several weeks ago to study the issue of Shabbat activities in the capital.

The committee, chaired by Avraham Haman, chancellor of Hebrew University, gave its interim report to Kollek last week.

### Escapee still free

HAIFA (Itim). - Police and Prisons Service officers continued their search yesterday for escaped prisoner Yitzhak Atlas, 26. Two other prisoners who escaped with Atlas from the Damoun prison on Saturday morning have been caught.

### Refuseniks arrive

Two Soviet Jewish refuseniks and their families arrived at Ben-Gurion Airport last night to an enthusiastic welcome. They are Leonid Yussupovich, 38, of Moscow, who arrived with his wife and five children, and Lev Albert, 40, of Kiev, who was accompanied by his wife and son. (Itim)

### Doorbells to ring in cancer campaign

Post Science and Health Reporter  
The Israel Cancer Association's door-to-door campaign takes place tomorrow, with tens of thousands of volunteers hoping to collect NIS4 million for cancer research, rehabilitation and information services.

Because of government cutbacks, the association also funds hospital oncology department services, the purchase of advanced equipment like linear accelerators, and research fellowships.

Management and staff of British Airways in Israel deeply mourn the death of

**KEITH BEECHER**

Tel Aviv University Mourns the passing of

**Dr. ABRAHAM HORODISCH**

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The Vice Premier and Minister of Foreign Affairs, the administration, staff and pensioners of the Ministry of Foreign Affairs mourn the passing of

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**MICHAEL**

Society for the Prevention of Cruelty to Animals in Israel (Tel Aviv)

The thirtieth day memorial service for our beloved

**SIMCHA HARLOW**

will take place at Har Herzl today, at 10 a.m.

The Family



# Philippine rebel threat against Americans worries all foreigners

MANILA (Reuters). — The killing of three Americans and warnings that more could be killed have shifted the Philippine insurgency into a new gear with potentially explosive consequences.

Political and diplomatic analysts said Friday's rebel announcement that a wide range of Americans have become "targets for attacks" by Communist guerrillas will, if carried through, affect all foreigners living and doing business in the Philippines.

"The implications are truly awful," a senior Western diplomat said.

By a warning, in a signed statement, that "a high price ... in terms of American lives and property" would be paid for their close involvement in the Philippines, the Communist guerrillas have signalled a shift from what has been a largely countryside war of pistols and M-16s.

Analysts say any follow-up killings to the deaths of three American airmen, one of them retired, outside Clark air base in October, would dispel any lingering doubts that the Communist New People's Army is doing more than just posturing.

"If every Friday, they kill four Americans, they would only have to do it for a month and the U.S. would be in serious retreat in this country," said a senior Western analyst, speaking on condition of anonymity.

"Businesses would close, families would be shipped out and the whole attitude would alter," he said.

U.S. and other officials acknowledge that because of its huge implications, there is a psychological reluctance to accept the threat as a major shift.

But Friday's statement by Satur Ocampo, secretary-general of the

leftist coalition National Democratic Front (NDF), has been taken as a clear sign that hardliners have won an internal debate over the direction of the 18-year-old insurgency.

"The NDF warns the United States government to stop meddling in the internal affairs of the Filipino people or pay a high price for its political-military intervention in terms of American lives and property," the statement said.

"All U.S. military and civilian officials and personnel involved (in Manila's anti-insurgency campaign) whether as advisers, intelligence operatives, action agents or in any other function, are therefore targets for attack," it said.

Although Ocampo's is the hardest and most dramatic declaration, communist spokesmen have for some months been heating up their rhetoric both in statements and in clandestine interviews with local and foreign journalists.

Anti-Americanism, though rarely expressed on an individual basis, runs strongly beneath the surface. Manila's 15 or so English-language daily newspapers attack the country's former colonial rulers through news and opinion columns at the slightest provocation.

The presence, north of the capital, of the United States' two biggest overseas military bases is also the focus of increasing resentment.

Several thousand American citizens, including many Filipino-Americans, live and work in the Philippines.

Few doubt that the New People's Army has the ability to carry out its threat.

Its Manila-based "Sparrow Unit" assassination squads have killed 56 policemen and soldiers in the capital this year, including about 15 in the past two weeks, according to military figures.

## Talk of new McCarthyism follows withdrawal of Judge Ginsburg

# Fears over pot-smoking haunts tomorrow's leaders

NEW YORK (Reuters). — Marijuana, the "in" drug of the swinging Sixties, has suddenly come back to haunt the flower-power people who swapped their love beads for business suits.

Some experts believe the clamour over "pot smoking" that led to the withdrawal of Supreme Court nominee Douglas Ginsburg, 41, is a sign of things ahead as the rebels of the 1960's come of age and start down the corridors of power.

Ginsburg's admission last week to smoking marijuana in the 1960s was swiftly followed by similar announcements from two Democrats running for the 1988 presidential nomination — former Arizona governor Bruce Babbitt, 49, and Tennessee Senator Albert Gore, 39.

One expert says Ginsburg's case sums up what lies ahead for the post-World War II

generation, who are today's and tomorrow's potential leaders.

Prof. Arnold Trebach, director of the Institute of Drugs, Crime and Justice at the American University in Washington, D.C., suggested that an era had begun similar to the one of the 1950s when Senator Joseph McCarthy purged communists.

"What we have here is a new era of McCarthyism where a connection with drugs, even secondhand, like being associated with a drug user, is enough to damn you," he said.

While recent public opinion polls indicate that Americans are more tolerant of marijuana smokers, the majority are still against the legalization of the drug.

A Newsweek magazine poll published on Saturday showed that while 69 per cent of

those surveyed thought Ginsburg's use of marijuana should not have disqualified him as a Supreme Court judge, 77 per cent were against legalization of the drug.

One of the main opponents of legalization is Charles Rangel, chairman of the House of Representatives Select Committee on Narcotics Abuse and Control. In a recent letter to *The New York Times*, he wrote: "Decriminalisation would suggest that marijuana is not harmful, when research of recent years shows it harmful to the reproductive, cardiovascular and respiratory systems. 'Decriminalisation' would offset recent progress in making young people aware of the risks of marijuana, tobacco and alcohol."

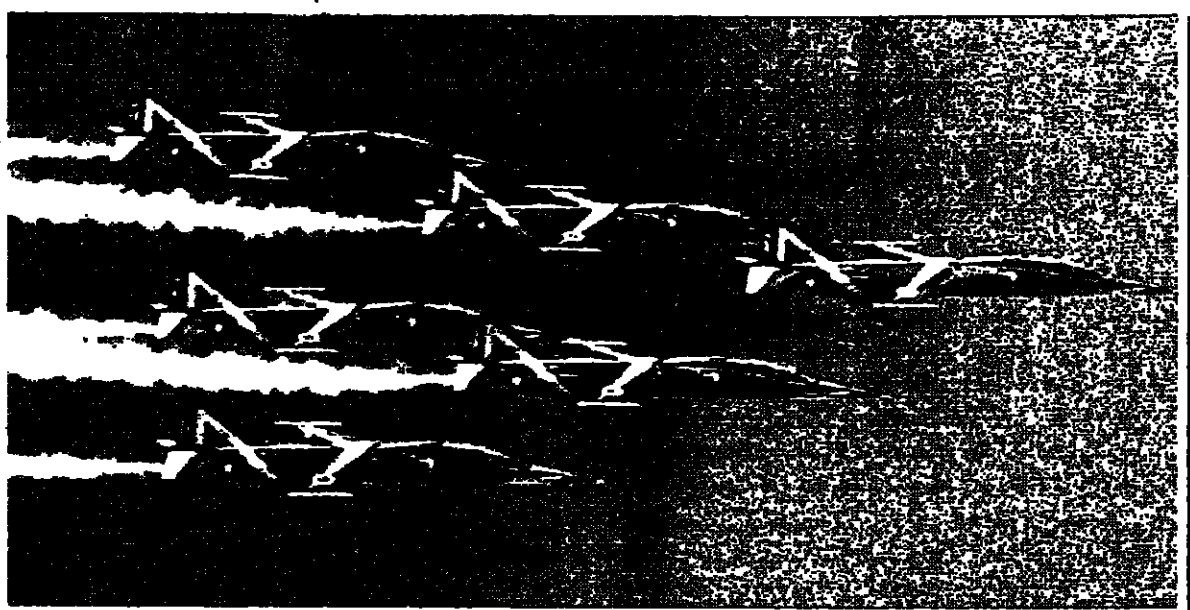
Latest government figures, issued this year by the National Institute of Drug Abuse, show 30 million of the United States' 250 million

population smoke marijuana at least once a year, while 18 m. use it at least once a month.

Kevin Zeese, a lawyer who represents several pro-marijuana groups, told Reuters: "Ginsburg was the sacrificial lamb at the vanguard of a new era in which Americans will realise that the pot smokers of the sixties and early seventies are the nation's leaders of the eighties and nineties."

Despite opposition to legalising marijuana, 11 states, with one-third of the U.S. population, have reduced possession of one ounce (28.35 grams) of the drug from a felony, punishable by up to 15 years in jail, to an infraction, similar to a speeding ticket, and carrying no more than a \$100 fine.

Alaska has even legalised the growing and consumption of marijuana by state residents on a limited basis.



A formation of T-2 trainers of Japan's Air Self-Defence Forces at an annual air show in Hamamatsu yesterday. (AFP)

## Neo-Nazis said to be running school for soccer hooligans

By DAVID HOROVITZ  
Jerusalem Post Correspondent

LONDON. — Soccer thugs from Britain, Belgium and Holland are being taught how best to spread terror in the terraces by neo-Nazis at training camps in West Belgium, according to a new report.

The report, compiled by researchers at Belgium's Louvain University, is to be handed to Britain's Sports Minister Colin Moynihan this week.

Several MPs, including former sports minister Dennis Howell, have urged him to call for an immediate investigation.

British researcher Tim O'Brien, of Lancashire Polytechnic, yesterday confirmed the report's findings, saying that he has been handed dozens of letters sent from groups of soccer thugs to their "colleagues" abroad.

Supporters of Belgium's Anderlecht club, for example, recently sent the following letter to the soccer hooligans who people Chelsea's infamous "Shed" stand: "Come on over for a good fight when we take on Ajax. We are looking forward to joining you when you take on Spurs. Death to the Jews."

In August, added O'Brien, a Swedish fan received a letter from "the Nazis of the Shed" which read: "Our aim is to rule every terrace

across Europe. We will kill the niggers in Amsterdam, the Jews in Prague, the Catholics in Rome and the Turks in Munich."

Chelsea's "fans" fly National Front Union Jacks at matches, while groups of thugs following British clubs West Ham, Millwall, Arsenal, Leeds and others are believed to have links with the National Front.

The recent Arsenal-Tottenham London derby was marred by Arsenal fans shouting slogans such as: "We're going to get the Yids." Tottenham's former manager David Platt is Jewish, as is club chairman Irwin Scholar and other top officials.

Although full details of the Belgian report have not yet emerged, the football authorities are understood to be extremely disturbed by the prospect of organized training centres for soccer thugs.

In the wake of the 1985 Heysel Stadium disaster, among other shocking displays of terrace violence, the government has pressed English clubs into introducing membership systems and tougher ground security in an effort to identify ring-leaders and thwart soccer hooligans. But the "English disease" has already spread to much of Europe, with Dutch and Belgian fans among the worst offenders.

## 'Soviet secret base set up in Seychelles'

LONDON (Reuters). — Soviet troops have secretly set up a military base in the Seychelles Archipelago in the Indian Ocean, according to *The Sunday Times* yesterday.

The newspaper quoted U.S. intelligence sources as saying a Soviet infantry force landed on the islands a year ago. They stayed to guard President Albert Rene and to help with security for the Soviet Embassy, it added.

*The Sunday Times* said this was the first time Soviet naval forces had been secretly based in a foreign country, and their presence worried Washington, the paper said.

The Seychelles, a strategically important, and could provide a useful staging post to South Africa and India as well as the vital sea lanes around the Cape of Good Hope, it went on.

The islands are at least 1,000 miles south of the nearest Soviet naval base, on the island of Socotra near Aden, the paper said.

A spokesman for Britain's Foreign Office said that British officials were aware of the report but could not confirm it.

*The Sunday Times* said that according to U.S. and British intelligence sources, about 50 Soviet troops landed in October 1986 from an amphibious landing ship a few weeks after an attempted coup against Rene.

Before the coup attempt, he was guarded by North Korean troops.

## Dozens of Iran hitmen 'stalking exiles'

Jerusalem Post Correspondent

LONDON. — News that part of the 150-ton arms consignment intercepted last week on the cruise ship *Eskandari* was intended to equip Iran's European network of hitmen has sent further shivers through London's large exiled Iranian monarchist community.

Still reeling from the cold-blooded killing of anti-Khomeini spokesman Ali Tavakoli and his son Nouraddin at their West London flat last month, the thousands of monarchists who fled to the UK after the Shah's downfall in 1979 are now convinced that dozens of the Ayatollah's hitmen are armed and ready for more killings.

A dossier of photographs found in Tavakoli's flat reveals that he knew that his anti-Khomeini speeches at Hyde Park's Speakers' Corner on Sundays were being monitored by the Ayatollah's men. He had taken dozens of photographs of those he believed were spying on him, and apparently used to position his wife Monir close to them so that she

could overhear their conversations.

Tavakoli presumably intended eventually to take the dossier to the police, in the hope that they would investigate what he believed was an underground network of spies and terrorists working out of the Iranian Embassy in Kensington and numerous other Iranian-owned properties all over central London.

Despite the Tavakoli killings, the 1986 murder of the owner of a video shop producing anti-Khomeini videos and the August car bombing attempt on the life of Amir-Hussein Amir-Parviz, London chairman of the National Movement for Iranian Resistance, British police have done little to stop the infiltration of Khomeini's hitmen, monarchist spokesmen claim.

In a recent newspaper interview, one spokesman wondered whether the police would act only when non-Iranians began getting killed in the crossfire. "The British government, and others in Europe seem incapable of realizing what is happening right under their noses," he said.

## Iran making its own missiles, claims minister

NICOSIA (AFP). — Iran is capable of manufacturing its own surface-to-surface missiles and has started mass production of U.S.-designed Tow anti-tank missiles, the minister of the Iranian revolutionary guards militia said yesterday.

Mohsen Rafiqdust, in an interview with the English-language *Tehran Times*, said Iran was heading toward military self-sufficiency, the Islamic Republic news agency IRNA reported in a dispatch monitored here.

## Rightist leader believes in 'natural morality and Ten Commandments'

# Le Pen's stock slumps; 78 per cent of public 'hostile'

By MICHEL ZLOTOWSKI  
Jerusalem Post Correspondent

PARIS. — Extreme rightwinger Jean-Marie Le Pen has apparently not been disturbed by the reactions to his statement about the gas chambers being "a detail of the history of World War II."

Asked on Saturday by the mass circulation daily *France-Soir* if the statement declaration had cost him any votes, Le Pen replied: "At least, it didn't cost the taxpayers a cent."

The first reaction came from Jean-Pierre Pierre-Bloch, one of Paris Mayor Jacques Chirac's deputies who is also the *France-Soir* general manager. "Once again you are trying to lure the French people, who will reject you, into the night and fog out of which you should never have come out," he wrote.

Visiting Mont Saint-Michel last week, Le Pen said that he was fighting against his opponents' "inverted values," against "their right to death, to abortion, to euthanasia, their right to life... to deviation, to drugs and pornography, we propose natural morality and the Ten

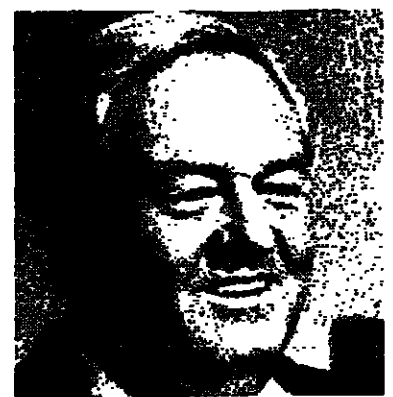
Commandments."

This declaration of the National Front's leader didn't keep his movement from suffering a slump in French public opinion. In a poll conducted for the *Le Monde* daily, 78 per cent declared their hostility to Le Pen and his National Front. In 1984, the figure was 57 per cent.

In a poll published by the *Paris Match* weekly, 7 per cent said they would vote for Le Pen in the presidential elections next spring. An earlier poll gave him 12 per cent.

However these results should be treated with great caution, because many people do not like to admit that they support Le Pen. The *Le Monde* poll shows that 18 per cent of the public are his potential backers.

At the annual dinner on Saturday night in Paris of the CRIF, the body representing the organized Jewish community in France, Prime Minister Chirac reaffirmed that he would never make any alliance "with a certain extreme right-wing party whose ideas ... seem opposed to the traditions, the spirit and the fundamental interests of our country."



Le Pen (Agip)

Chirac is a candidate for president and his recent official visit to Israel was regarded in Paris mainly as a gesture towards the Jewish community in France. The ceremonies at Yad Vashem, Rogit and in the Valley of the Persecuted Communities, usually disregarded by French news

editors as "non-stories," were shown on television.

Although reputable sociologists maintain that there is no "Jewish vote" in France, many politicians believe that former president Giscard d'Estaing was defeated in the 1981 elections because French Jews did not forgive his behaviour after the terrorist attack on the rue Copernic synagogue in 1980, killing four persons. Giscard was away on a shooting party at the time and did not return immediately to Paris.

Chirac's popularity has been shaken by the world financial crisis. The Socialist opposition claims that his policy of selling state-owned enterprises has "destabilized the French economy." However, his main rival on the left, President Francois Mitterrand, who has not yet said whether he will run for another term, has also seen his popularity rating drop. A clear majority said two weeks ago that they did not want him to run again.

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## Nudniks of the first order

By JEFF BLACK  
For The Jerusalem Post

"We fight, yell, scream. We're professional nudniks of the first order," said Ann Bialkin, the first ever Diaspora winner of the Minister's Award for Volunteer Work.

Her commitment and pride in the work of Elem/Youth in Distress in Israel, for which she won the minister of labour and social affairs' award last week, is such that once she begins talking about the organization it is almost impossible to stop her.

Elem, which has established four community hostels for adolescents, "has combined my life goals," she said, as she sat in the lobby of the King David Hotel a day after receiving the award.

These community hostels, in Kiryat Gat, Beersheva, Ashdod and Jerusalem are based on the idea that instead of taking problem adolescents out of their environment, they should be rehabilitated within the framework of their own community.

Rehabilitation, to a large extent, she said, is judged by whether the army will accept them for normal military service, "because if our kids don't get in, they will be disfranchised for life." At present Bialkin is following very closely the internal argument within the IDF over whether it can afford to continue recruiting problem cases.

The story of Elem, said Bialkin, who is the organization's U.S. president, begins in 1981 with the visit to the U.S. of Juvenile Court Judge Savionah Rotlevy. Rotlevy told her American hosts of the problems facing 10,000 Israeli adolescents who each year go through the Juvenile Court system and the 25,000 young people between the ages of 14 and 18 who neither work nor attend school.

For Bialkin, who was then a social worker for the New York Family Courts, learning these facts gave her the motivation to combine her professional talents with her love of Israel.

The basic idea of the Israeli-U.S. partnership is that "we are asking the Israelis not only to take money, and it is always unpleasant to be beholden, but also to take professional advice," she said, admitting that at the beginning there were plenty of arguments between her and her Israeli counterparts.

The qualification for involvement in Elem, according to Bialkin, is professional expertise, and the American members are not shy about putting forward their ideas.

Bialkin, who comes here three times a year, says Elem's Israeli volunteers are "close to saints, combining full-time jobs with voluntary work."

Bialkin herself quit work three years ago to work for Elem as a full-time volunteer. "I have gone," she said, with a large smile on her face, "from being a professional of some slight renown to a xeroxer, typist and fundraiser."

## State Department argues U.S. can't legally close PLO mission in New York

By WOLF BLITZER  
Jerusalem Post Correspondent

WASHINGTON. — The State Department has again publicly insisted that any Congressional mandated action to shut down the PLO's Observer Mission in New York would violate its existing treaty commitments to the United Nations.

"The administration has concluded that it would be a violation of U.S. treaty obligations under the UN Headquarters Agreement for the U.S. to close the Observer Mission," State Department spokesman Charles Redman said on Friday.

He said this State Department legal opinion was based on a thorough analysis of existing U.S. agreements, international law, and what he called the "subsequent practice" of the U.S.

"And so," he added, "when the legal authorities take a look at these kinds of questions, they take all of that into account."

Redman was reacting to reports, first published last week in *The Jerusalem Post*, that an internal State Department legal opinion on the question of the PLO's office in New York had been ambiguous on the strictly "legal" — as opposed to "political" — obligations of the U.S.

On November 17, a joint House-Senate conference committee is scheduled to consider an amendment to the State Department authorization bill which would force the closure of the PLO's offices in both Washington and New York.

The State Department has already ordered the Washington operation to shut down by early next month but has maintained that closing the New York office would violate U.S. treaty obligations. It is strongly appealing to the lawmakers to revise the pending amendment.

State Department legal officials argue that the U.S. is treaty-bound to permit all invited guests of the UN entry into the U.S., free transit to the UN and some form of residence.

But congressional supporters of the pending amendment, led by Republican Representative Jack Kemp of New York, argue that the U.S., under the same UN Headquarters Agreement, can restrict entry into the U.S. of any person or entity considered potentially dangerous to the security of the U.S.

The PLO, they argue, fits into this category because of its record in committing acts of terror.

Alan Keyes, who recently resigned as assistant secretary of state for international organization affairs, told *The Post* on Friday that the U.S. could in fact legally close the PLO's Observer Mission in New York without violating its treaty obligations.

Keyes, who said he closely studied the question while serving as a political appointee in the State Department, supports the pending amendment in Congress.



The head of the Holland-Israel Friendship Society, Zeger Hart, and other Dutch citizens join children from the capital's Given Gonen school to plant tulip bulbs yesterday in Yemin Moshe. The bulbs were part of the shipment of 500,000 the society sent to Israel recently in its annual show of support for this country. (Jacqueline Arzi/Media)

LUSAKA (Reuters). — "I ran away from war. I want to go back home, but the war is still going on, so I can't." The lament of Barolomeu Sahombo, a 25-year-old Angolan refugee in Zambia, echoes the plight of most of the four to five million Africans who have been forced to flee their homes.

The majority are running from war.

But others seek to escape political persecution, drought and famine, or are simply looking for a better life.

In many places, the countries to which they have fled are also experiencing war or drought or economic recession, and are ill-prepared to receive them.

"To be a refugee is an abnormality in human life," is how Abdallah Said, the representative in Zambia of the United Nations High Commissioner for Refugees (UNHCR), portrays the situation.

The continent's borders were mostly drawn by European colonizers who ignored ethnic and tribal ties of African peoples who, in turn, often ignore the frontiers.

Besides Zambia, there are significant numbers of refugees in Sudan, Uganda, Somalia, Ethiopia, Zaire, Burundi, Tanzania, Malawi, Zimbabwe, Algeria and South Africa, and smaller numbers in every other country on the continent.

The initial problem, how to feed new arrivals, is in most cases solved with international aid.

Where to put them poses a more difficult challenge. Many countries have set up special camps and settlements. Zambia has two, one in the

Even before he became a junkie, Zohar Argov had the gaunt, hollow-cheeked look of the hungry.

Looking hungry was part of his appeal, for in those days, only about 10 years ago, that kind of music was as much about being hungry, being on the outside, as it was about being from the disadvantaged neighborhoods. It was the music you heard in the open-air markets and in the bus stations, played over ghetto blasters. And the hunger wasn't for food — anyone can go into a grocery's. The hunger was for acceptance.

The radio wouldn't play that music.

Nobody would admit it, but it sounded too much like the music on the other channels of the radio dial in this part of the world — like Egyptian music, or Syrian music. It sounded like the music played in those countries where Argov's fans or their parents came from.

Argov would have taken exception to that, just as all those who followed in his footsteps would take exception to that. Menachem Begin, by the way, knew better than anyone else how hungry for acceptance Argov's fans were.

There's no way of knowing how many cassettes Argov sold. The annual reports showed Arik Einstein to be the country's most popular singer, but the magazines that keep track of such matters only heard of Argov long after he had become "The King." As king, Argov could make \$5,000 or more a night, singing his

## Running away from the wars of Africa

north-west for Angolans and another in the east for Mozambicans. Zimbabwe has four camps along its north-eastern border to cope with an influx of Mozambicans fleeing the civil war in their own country. Uganda has four well-planned settlements housing several thousand Rwandans.

Refugee camps in Africa vary from temporary transit points to long-term settlements with schools and clinics.

An example of this last type is Zambia's Meheba refugee settlement, which houses 14,000 mostly Angolan refugees, some of whom have lived there since the camp was established in 1971.

Many refugees do not even find their way to the camps but settle spontaneously in border areas, living with friends and relatives.

This is the case of more than 60,000 Angolans who have been allowed by the Zambian authorities to settle near the border.

But the presence of so many aliens often poses security problems and can result in tension between

governments.

Zambia recently arrested five Angolan refugees suspected of recruiting supporters for the Angolan rebel movement Unita.

Sudan, which has some 800,000 Ethiopian refugees, has accused Ethiopia of violating its territory in pursuit of secessionist rebels. Uganda has also in the past accused the Sudanese government of harbouring rebels and has criticized it for allowing refugees to settle too close to the border.

An Organization of African Unity refugee convention says that member states should try to settle refugees as far as possible from the frontier, at least the so-called "Sudan standard" of 50 km. But this often meets fierce opposition from the refugees, who fear that moving away from the border will make it even more difficult for them to return home.

UNHCR opposes forced re-settlement and advocates persuasion to convince often frightened and suspicious refugees that they can be better looked after in a well-prepared

Another Zohar, named Rivka, who spent almost a decade in a daze in a basement nightclub in New York, got off. But she was one of the lucky ones. She came back to a lover's arms.

Argov never really had a lover. He had fans, and fans, as any performer can tell you, are neither lovers nor friends.

Lovers and friends don't make the demands that fans make, and don't turn their backs when you can't deliver because you can barely stand up, barely walk, barely talk, let alone make the kind of music that Argov knew how to make.

Argov went to America when the cassettes with that music began to be heard on radio here, and in a strange way, the most popular singer in Israel was discovered by Israel.

At first they called it cassette music, and it was on an hour a week, and then they called it Oriental music, and by then, without even knowing that it was one of his accomplishments, Menachem Begin had made it acceptable. Nowadays it's called the Mediterranean sound, but it's more Greek than Arabic. Nowadays even Arik Einstein sometimes sings it. It no longer needs its own hour on the radio; but it doesn't control the airwaves either, the way it did for about a year after Begin was re-elected in 1981.

Like many an Israeli performer — including Rivka Zohar — Argov thought that his gold records in Israel would get him a gold record in

There aren't many people who can get off junk, once they've gotten on.

Robert Rosenberg

love songs at weddings. He never made it to the Maan Auditorium.

The king, a high-school dropout, had a police record that stretched back to 1970, when he was 14. It included burglary, car theft, checking, assault and battery, obstruction of justice, and, of course, drugs. When he hung himself on Friday, using a rope fashioned from strips of a blanket, he was in the Rishon lukeup as a rape suspect.

Being a junkie was the real flaw in his character, and he was sufficiently aware of it to go on television one Friday night to roll up his shirt-leeves to show the public his visible scars from shooting smack and to explain that he was off the stuff.

There aren't many people who can get off junk, once they've gotten on.

Robert Rosenberg

## Young Jewish parliamentarians invited to meet in '88 in Jerusalem

By CHARLES HOFFMAN  
Jerusalem Post Reporter

The first conference of young Jewish parliamentarians from around the world will be held in Jerusalem in January.

Leaders of the Israeli Forum — a non-party volunteer organization to promote Israel-Diaspora relations — said last week that invitations to 72 young Jewish members of parliament around the world had been sent by MKs Nava Arad of Labour and Ehud Olmert of the Likud, on behalf of the forum.

Forum chairman Ze'ev Bielski said that the conference was one of several projects undertaken by the forum to create new channels for contacts with Diaspora Jewry. He added that the political party basis of the Zionist movement had little to say to most Diaspora Jews, and that new types of links should be formed "before the younger generation of Jews in Israel and abroad drift apart."

Among the topics the conference will deal with are Jewish communities in distress, the function of a constitution in Israel, and the Middle East peace process.

## Ten-year programme to bring Diaspora children back to the Jewish fold

Jerusalem Post Reporter

Computer technology and Zionist fervour are at the heart of a programme to bring one million assimilated Jewish children "back to the fold."

The programme is to be presented at the coming Zionist Congress by Eli Taviv, the head of the Department of Education and Culture for the Diaspora of the World Zionist Organization.

Taviv said in an interview last week that Israel's 40th anniversary was an appropriate time to start the

camp. The efforts of the UNHCR and other aid organizations are geared towards making the relocated refugees as self-sufficient as possible to lessen their dependence on costly food hand-outs and ease the burden on the host nation.

Angolan refugees in Zambia and Mozambicans there and in Zimbabwe are given plots of land to farm, seeds and fertilizer.

Besides farming, they are encouraged to develop their original trades, such as weaving, metalwork and carpentry.

UNHCR policy in Africa is elsewhere is that voluntary repatriation remains the best solution to the refugee problem.

More than 200,000 Ugandan refugees have returned to their country since President Yoweri Museveni came to power in January 1986.

But while the majority of refugees, especially those fleeing war, express the wish to return home as soon as possible, they are often reluctant and frightened.

Sometimes, even the refugees' temporary homes cannot provide them with the security they seek. In May 1986, South African planes bombed and strafed a UNHCR-assisted refugee transit centre at Makeni, outside Lusaka, killing two people and injuring 10.

Mozambican rebels have raided refugee camps in both Zimbabwe and Zambia, while Ugandan refugees in Sudan's Equatoria province have been attacked by rebels of the Sudan People's Liberation Army.

(The third article in a series.)

America. All he got in America was a golden arm.

For a while he could even get to his gigs on time, and then he started being late, and then he started not showing up, and then he would show up but only be able to sit at a table of honour while another singer did the work.

Everybody talked about him and how he needed help, but somehow nothing ever worked out. That's how it is for junkies, which is one of the reasons they are junkies.

Lately, of course, there was talk about his getting better.

He had been in Afikim jail, and was off Persian brown, and even eating a little, which like rape is usually the last thing on a junkie's mind. His weekend dalliance that ended in a rape charge was his last vacation before getting out of jail after serving a three-month sentence for illegal possession of a gun.

A lot of people will jump on the Zohar Argov bandwagon now.

David Levy has already announced he's going to start a fund, as if there wasn't already Al Sam, which is a fashionable charity. There is also a plan for a rehabilitation village. Moshe Ish-Kassit, who also went a few rounds with junk before dying in last August's heat wave, was one of the movers behind that plan.

But that's the way it is with famous junkies. They never know they have so many friends. Regular junkies, the most anonymous people of all, don't even get that.

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## ISRAEL CANCER ASSOCIATION

### Door Knock Campaign Tuesday, November 10

The success of the campaign will make possible the continuation and broadening of the fight against cancer.

You have an important part to play in this fight!

## TODAY'S ENTERTAINMENT

Regular TV and Radio scheduling is suspended due to the strike at the Israel Broadcasting Authority

### EDUCATIONAL TV

8.00 Telecast 8.05 Keep Fit 8.15 School broadcasts 14.00 Telecast 14.05 Contact 14.35 Making Magic 18.00 Family Problems 18.40 Keep Fit 18.55 The Prisoner (part 3) 17.00 A New Evening — live magazine

### ISRAEL TV CHANNEL 2

8.30 The Demjanjuk Trial — live broadcast 17.30 King Arthur — children's cartoons 18.00 We of the Never Never 21.10 The Demjanjuk Trial — roundup 22.30 Dance 21.20 Pop 2

### JORDAN TV (unofficial)

17.30 Cartoons 18.00 French Hour 19.30 News in Hebrew 20.00 News in Arabic 20.30 Kate and Ailie 21.10 Falcon Crest 22.00 News in English 22.20 Tusti-la

### MIDDLE EAST TV

12.30 Another Life 14.00 700 Club 14.30 Shape-Up 15.00 Muppet Babies 15.30 Super Book 16.00 Fraggle Rock 16.30 Afternoon Movie: Mr. Blandings builds His Dream House 18.00 Happy Days 18.30 Luvina & Shirley 19.00 News 20.00 Magnum P.I. 21.00 Monday Night Football 23.00 700 Club 23.30 Another Life

### RADIO

ARMY 6.05 University on the Air 6.30 Open Your Eyes — songs, information 7.07 "707" 8.00 Good Morning Israel 9.05 In the Morning 10.05 Music 11.05 Right Now 12.05 Hebrew hits 14.05 Daily sounds 15.05 Festival songs 16.05 Four in the Afternoon 17.00 Evening Newsreel 18.05 Military Literature Magazine 18.05 Hebrew songs 20.05 Books Gentlemen, Books (repeat) 21.00 Mabit — TV newsreel 21.30 University on the Air (repeat) 22.05 Popular songs 23.05 The 24th Hour 00.05 Night Birds — songs, chat

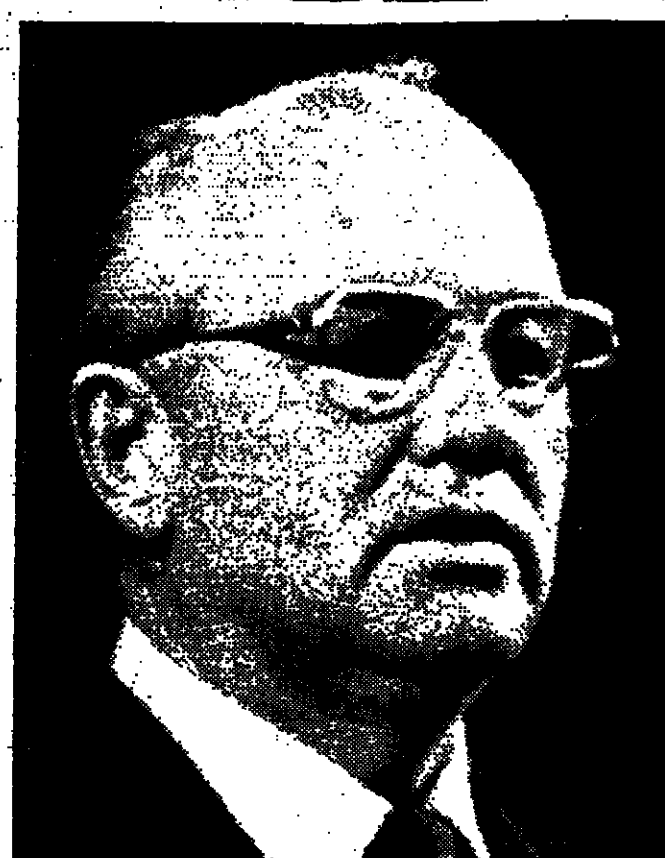
### ARMY TWO

19.05 Radio Radio 20.05 Hit songs 22.05 Coffee Break 23.05 All That Jazz

### THE VOICE OF PEACE

Regular daily programmes 3.00-6.00 Nightbeat 15.00-18.00 Kessah Programme 18.00-19.30 Twilight Time 19.30-21.00 Classical Music





Mikhail S. Gorbachev addressing Soviet officials and foreign dignitaries attending commemoration of 70th anniversary of the Bolshevik Revolution.



## Mass Appeal

Associated Press (Gorbachev), Sygma

### Gorbachev Speech: Playing to a Wary Public

By BILL KELLER

MOSCOW — MIKHAIL S. GORBACHEV gave a politician's speech last week on the troublesome topic of his country's history. It did not play very well in the West, where many expected a historian's speech, but it was probably not intended to. It was a speech for domestic consumption, crafted for a society with a willful reverence for its version of the past.

"It was not what Gorbachev wanted to say," one Russian admirer said after the speech. "It was what he could say." Addressing guests celebrating the 70th anniversary of the Bolshevik Revolution — and a live television and radio audience — Mr. Gorbachev for the first time criticized by name the man widely perceived here as his chief political rival, Josef Stalin.

"The guilt of Stalin and his immediate entourage before the party and the people for the wholesale repressive measures and acts of lawlessness is enormous and unforgivable," Mr. Gorbachev declared. He also restored to respectability two other figures in the anti-Stalinist camp, Bolshevik leader Nikolai I. Bukharin and former party leader Nikita S. Khrushchev, whom he portrayed as standing for new ideas and respect for the individual.

The reaction of many Westerners and Soviet intellectuals was tinged with disappointment, reflected in kitchen-table analysis and the sharp questions leveled at Soviet officials in press conferences after the speech. (Washington sees signs of flexibility, page 3.)

Why did Mr. Gorbachev not lay out the full scope of Stalin's crimes? Why did he refer only to "many thousands" of victims when he could have said millions? Why did he condemn only the methods used to force peasants onto collective farms in the late 1920's and 1930's, and not admit that collectivization itself was wrong? Why did he brush over the well-documented questions about Stalin's conduct of World War II, and justify the Molotov-Ribbentrop nonaggression pact with Nazi Germany? Why did he not admit that Bukharin had been wrongly executed for treason? Why, no mention of the complicity of the secret police in the black chapters of Soviet history? Indeed, judged as a history lesson, Mr. Gorbachev's speech came up wanting, full of compromises with the whole truth. (Trotzky's importance to the Revolution, page 3.)

But there is another way to analyze the speech: as a careful performance by a politician in a precarious position. It is generally understood that within the leadership Mr. Gorbachev plays a balancing act between impetuous reformers — like Boris N. Yeltsin, the Moscow party chief who recently offered to resign out of impatience with the pace of change — and others like the No. 2 party leader, Yegor K. Ligachev, and the K.G.B. chief, Viktor M. Chebrikov, who are said to move more slowly. What is sometimes overlooked is that these differences are not just idiosyncrasies, but reflect powerful forces in the population.

By all accounts Mr. Gorbachev's program of social and economic change rests on a narrow popular base. Intellectuals, pleased by his cultural liberalization and his openness to the West, are his only reliable constituency. The bureaucratic middlemen and party

functionaries feel threatened. The workers are, at best, on the fence. They hear in his promise of new economic opportunity the risk of lower wages or unemployment, in his vow of better consumer goods the certainty of higher prices. The elderly are uneasy, the young largely indifferent. Mr. Gorbachev's task on this most patriotic of Soviet occasions, was to provide historical underpinnings for his program without sending tremors through a wary populace. He sought to unearth Leninist roots for an economy based on "personal incentives and business principles" in place of the Stalinist dictates of an all-powerful central bureaucracy. He sought to dispel the paralyzing sense of fear and enforced conformity that drag at his "perestroika," or restructuring.

**The Suspicious Millions**

The intellectuals did not get the full airing of history they wanted, but they got unqualified permission to press ahead with a critical exploration of the past. This is no small thing, since some writers and historians are already publishing accounts of Soviet history more daring and complete than Mr. Gorbachev's holiday speech. They got a new party commission that will resume the rehabilitation of Stalin's victims, a process that many identify with the revaluing of individual dignity and human rights.

But intellectuals are a minority. The speech was also aimed at the millions of less enthusiastic citizens who watched on television or were pulled from offices and assembly lines to listen to the radio at workplace assemblies. These are people with whom the West, even in this period of greater openness, has little con-

tact, and whose attitudes are not easily comprehensible to an American. They are suspicious of modernity. They are less concerned with Western ideals of liberty than with stability and "justice" — a word that here often means the misery is shared equally. Many of them, even people whose families suffered cruelly in the 1930's, admire Stalin. They respect his iron discipline. They are proud that, however brutally, he pulled Russia into the industrial age and, above all, saw it through "the Great Patriotic War."

For these people, Mr. Gorbachev's message was that change will be orderly, and that the past they lived through will not be repudiated. Stalin, he said, was guilty of crimes, but his crimes do not diminish the Soviet people or the Soviet system. The methods were inexcusable, but the cause — industrialization, collectivization, the great war — was justified.

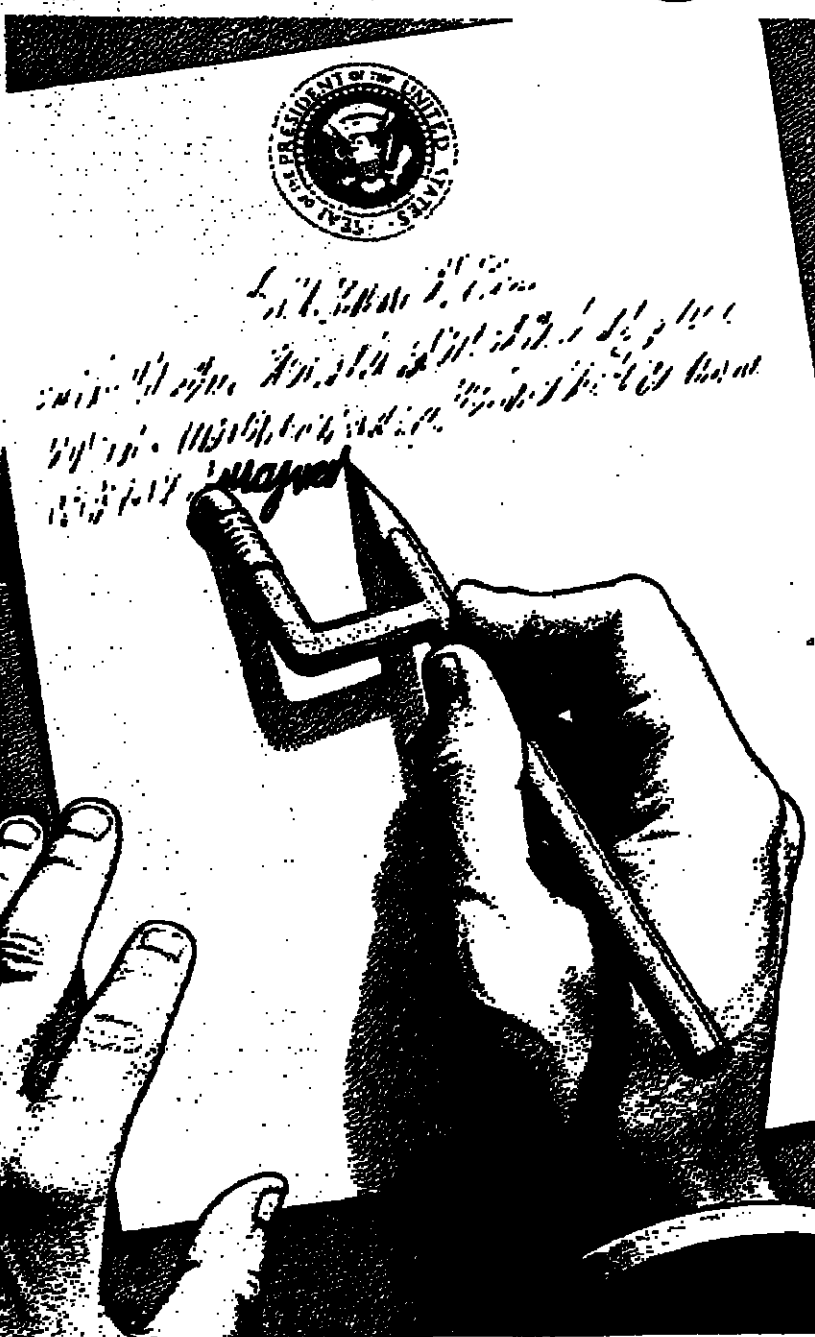
"He simply could not tell millions of people, 65 and 70 years old, that their lives were a mistake," said a Russian writer, defending Mr. Gorbachev. For an American trying to understand the Soviet leader's predicament, a rough analogy is the liberal southern politician who opposed racial segregation in the early 1960's, but refused to break with racist political king-makers, to question states' rights, or to condemn the Confederacy. Mr. Gorbachev, of course, does not have to stand for re-election. But unlike previous leaders, he does have to make people change their behavior — work harder, offer ideas, take initiative.

"Stalin ruled, but Gorbachev seems to want to govern," a Western analyst said after the speech. "If that is really what he wants, he can't just govern the liberals."

### Deficits Increase, Taxes May Follow Suit

## Where the Reagan Revolution Went Awry

By PETER T. KILBORN



WASHINGTON — PRESIDENT Reagan's reconstructed tax system is intact; he has won his big budget for the Pentagon, although they are subject to raid; all his inveighing against other Government spending has paid off in the sense that even liberal Democrats advocate restraint. Last week, West Germany buckled to American pressure and cut interest rates, helping American banks to cut theirs. All told, the President's friends might argue that in times that invite comparisons with those of Herbert Hoover, Ronald Reagan has built a respectable record.

Yet few of the President's friends, to say nothing of his critics, make such a case. This is hardly the shrunken government, or the bustling free-market economy fueled by savings and investment, that the President set out to build nearly seven years ago. And now the chilling judgment of the markets — in battering stocks and, more recently, the dollar — confirms that the Reagan revolution, if it ever really began, has come and gone.

"The major failure of the Reagan Administration was the failure to discipline spending," said William A. Niskanen, chairman of the Cato Institute, who was a member of the President's Council of Economic Advisers until 1985. "We have a bigger government, with higher spending. We've slowed regulation down, but we haven't reversed it. In other words, there was no Reagan revolution."

Upon taking office, President Reagan set out to reduce taxes, curb inflation and balance the Federal budget. He wanted a smaller, more unobtrusive government; to get it, he pressed Congress to reduce nonmilitary spending, and he set Federal agencies to pruning their regulations. With the markets unfettered and spurred by new investment rising from the tax cuts, he believed, the nation would enter a new era of uninterrupted growth and prosperity.

The President has delivered the low inflation rates and the growth for five straight years. But most of the prosperity has been borrowed from foreigners who have been willing to invest in the securities that the Treasury sells to carry a \$2 trillion debt, more than double the one the President inherited. Mr. Reagan himself contributed to this problem by building up the military and cut-

ting taxes at the same time. Most economists say that in the next decade, Americans will have to carry more of this debt with higher taxes, a slower economy and a lower standard of living.

Regulation is creeping back, particularly in finance and banking, but also in the airlines, the railroads and trade. Congress and the White House are negotiating deficit-reducing measures that are almost certain now to include tax increases along with curbs on spending. (Uneasy Europeans, watching the partisan battles, are questioning the very foundations of America's policies, page 2.)

**Danger of Inflation**

Inflation, whose reduction has been an important achievement of the Reagan era, could start soaring again in the dust of the sinking dollar. Last week the dollar fell 3.5 percent against the German mark after it was confirmed that Treasury Secretary James A. Baker 3d would welcome a cheaper dollar to help American goods compete on the world market. The danger is that Americans will keep buying imported goods, whose prices rise as the dollar falls, and that spells higher inflation. So, potentially, does the Federal Reserve's market-calming switch last month from an anti-inflationary stance to easy-money, anti-recession policies.

**Cease-Fire Talks**

**Is the Sandinistas' offer a bid for peace or just to buy time?**

**2**

The shape of the economy has changed under President Reagan, but by many measures, with the important exception of inflation and interest rates, its performance is no better than under President Carter. Unemployment reached a Reagan Administration nadir of 5.9 percent in September, and last week the Labor Department said it crept up to 6 percent in October. The low point for President Carter was 5.5 percent.

Herbert Stein of the American Enterprise Institute, President Nixon's chief economic adviser, writes that new jobs were added to the economy faster in the last half of the 1970's than in the years since then. The pace of the economy's growth, he says, works out to have been the same then, at 2.6 percent a year, as it has been under President Reagan. With respect to the budget, tax collections and other revenues grew four times faster under President Carter than under President Reagan. Federal spending, whose growth Mr. Reagan intended to curb, climbed an average 3.6 percent a year from 1981 to 1986; Mr. Carter's spending grew at 3.9 percent.

Dismal assessments of Mr. Reagan's economic achievements are coming not only from the President's perennial critics among liberal economists and mainstream conservatives but also from some supply-side purists. They do disagree, however, over why he is coming up short.

The President's partisans attribute the failings of Reagan economic policies to others. The Federal Reserve, they say, has tended to choke the economy by raising interest rates because of misplaced fears of inflation. And they blame horse-trading pragmatists, primarily Secretary Baker and the chief of staff, Howard H. Baker Jr., for declining to "let Reagan be Reagan" in negotiating policy with Congress, whose members they also fault for incorrigible profligacy.

"That's the substance of the problem, people whose whole political careers have told them to cut deals," said Paul Craig Roberts, an Assistant Secretary of the Treasury early in the Reagan term. "The political management of Reaganomics," he said, "should get a D-minus."

More conventional conservatives and most liberals attribute the failings of the Reagan agenda to Reaganomics — the theories behind the huge tax reductions at the start of the President's first term and the ensuing five-year toleration of record-breaking budget deficits. The rout of the markets, said Alan S. Blinder, economist at Princeton, "belied the false promises on which his policies were sold."

"They said you wouldn't get deficits and you would grow your way out of the problems in trade," he said. "The events in the markets threw more cold water on their claims."



# The World

## Sandinista Offer Of Conciliation: Is It a Bid for Peace or Just to Buy Time?

By JAMES LeMOYNE

**T**HE Arias plan for peace in Central America registered an accomplishment last week that had eluded the United States Government in nearly seven years of political and clandestine military conflict with Nicaragua. The Sandinista Government was placed on the defensive and obliged to accept indirect negotiations with the contra rebels.

Meeting a deadline set by the plan, which he had signed Aug. 7, President Daniel Ortega Saavedra said in Managua that he would "negotiate a cease-fire" with the United States-backed contras "through an intermediary" — Miguel Cardinal Obando y Bravo, the Roman Catholic Primate of Nicaragua.

The cease-fire offer was part of a series of political steps that the Sandinistas must take under the peace plan, which has forced the Sandinistas to define their policies and placed them under the most intense international scrutiny since they seized power in 1979. Mr. Ortega also announced a limited amnesty, for 981 prisoners, about a tenth of the esti-

mated total. However, he put off compliance with the agreement's provisions for further political concessions until, he said, "the aggression" against Nicaragua has stopped. The plan also calls for an end to support for rebels from countries outside the region, and forbids neighboring countries to allow their territory to be used as rebel staging grounds.

Diplomats and political analysts greeted the offer of indirect talks as a major, but still undefined, development in the long struggle to create a new political and social order in Nicaragua. For years, the Sandinistas have tried to dismiss the contras as "mercenaries" and "criminals," and have refused to negotiate with them. Now they have backed up a bit, albeit with conditions. "This must not be confused with political dialogue with the contra leadership to negotiate power, because we have never done that, we are not doing it and we will never do it," Mr. Ortega insisted.

The Sandinistas say they will only negotiate for a cease-fire. But the contras can be expected to try to press for talks on political issues.

Rebel leaders and American officials consider the Sandinista rever-



Nicaraguans cheering President Daniel Ortega Saavedra as he announced that his Sandinista Government would agree to indirect negotiations with the contras on a cease-fire.

sal to be a political victory for the contras. They have won a crucial political battle in any guerrilla war: forcing the Government to recognize them as a legitimate belligerent force. "This is a big gain for us,"

said Alfonso Robelo, a contra director. "We are very hopeful and very confident." The rebels condemned the Sandinistas, however, for failing to fully comply with the agreement, which was drafted by President

Oscar Arias Sánchez of Costa Rica.

The treaty also calls for lifting the state of siege, releasing all prisoners and establishing democratic conditions, including freedom of the press. (Also signing the accord were lead-

ers of El Salvador, Guatemala and Honduras.)

The Sandinistas have offered only limited steps toward greater freedom, and a difficult debate lies ahead over their intentions. Their supporters say the Sandinistas are doing their best to comply with the Arias plan; critics say they are only playing for time, to weaken the contras before reasserting Sandinista control.

Few observers are optimistic that the talks will soon end the war or heal the deeply divided Nicaraguan society. Mr. Arias says he believes the Sandinistas would lose a free election if one were held today. He may be wrong, but the strong discontent places pressure on the Sandinistas to refuse to retreat. It is not clear why the Sandinistas have agreed to the talks. But another contra leader, Alfredo César, speculated that Mr. Ortega, who flew back from Moscow to make his announcement, was told by Mikhail S. Gorbachev that "he had to negotiate." Soviet officials repeated last week that they have no military interest in Nicaragua. But American officials say Communist countries have already supplied more than \$600 million of military aid this year.

Optimism about peace prospects may be further tempered in light of the situation in El Salvador, which is also covered by the Arias plan. Leftist guerrillas and the Salvadoran Government have talked several times, to no effect.

### U.S. Politics

Nicaragua's fate may be entangled in Presidential politics in the 1988 United States election year. Helping the contras is likely to be controversial and Congress, in light of the regional peace agreement, may withhold further aid to the rebels. But if the Sandinistas fail to comply with the accord, officials in Washington say, the stage could be set for providing additional aid.

The Reagan Administration, the rebels, Honduras and Costa Rica, have all said that Nicaragua must first negotiate a cease-fire and offer a broad amnesty to the rebels, before the contras can be expected to lay down their arms. If the negotiations fail, the United States will have to reassess the perennial Central American policy question: Are the contras the only lever capable of forcing the Sandinistas to liberalize their rule or can other, political means be found to bring peace to Nicaragua and the region?

## Beyond the Stock Market Collapse



Frenzied trading at the stock exchange in Paris.

## Nervous Allies Fear a Leadership Gap in America

By JAMES M. MARKHAM

**I**t often falls to the British to say most forthrightly what is on the minds of Europeans when they worry about the United States. Last week in London, Nigel Lawson, the Chancellor of the Exchequer, said it was imperative for the health of the world economy that America slash its huge budget deficit and raise taxes. These steps, he continued, are "necessary in economic terms but also because this has now become the touchstone of whether the United States has the political will to make hard choices and do what needs to be done."

It is a sorry day when Europeans are wondering aloud whether Ronald Reagan, once respected and even feared as the most strong-willed of Presidents, has the guts to accomplish something. But in the frightening, uneasy days since the collapse on Wall Street, the Reagan Administration's legacy in its largest sense has come under critical scrutiny among America's allies. And, looking edgily to the post-Reagan era, many Europeans are asking if there is something about the American political system that deters the most qualified from assuming national leadership.

The profligacy that flowed from Reaganomics — borrowing foreign money to fuel an economic boom, without consideration for the indebted tomorrow — has been exposed on Wall Street. In self-critical moments, many Europeans concede that they profited in the short run by investing in the fire-breathing American economy. "Voodoo economics happened to be a good thing for the rest of the world in pulling it out of recession for the first six years," said Josef Joffe, foreign editor of the newspaper Süddeutsche Zeitung in Munich. "But the chickens came home to roost."

The repercussions of Mr. Reagan's spend-now, pay-later policies have, moreover, intensified festering doubts about other ideological tenets of the President, notably his "Star Wars" dream of anti-missile defenses.

The likely withdrawal of American medium-range nuclear missiles in a superpower arms deal is broadly

means, basically, West Germany. As the world's third industrial nation and biggest exporter, it has been urged to stimulate domestic demand to help avert a global recession. Toward that end, West Germany's central bank last week cut two interest rates.

But when the country's leading economic institutes issued a joint report echoing American suggestions that Chancellor Helmut Kohl bring forward tax cuts scheduled for 1990, their appeal was swiftly spurned.

A dissident voice, Helmut Schmidt, the former Chancellor, observed drily that West Germany was living "below its means."

A visceral fear of inflation helps explain West Germany's reluctance to play the role of locomotive to the world economy. Yet skepticism about America's will to put its house in order also accounts for West German foot-dragging. "No one here believes that anything is going to be done about the American budget deficit during Reagan's remaining time in office," said a senior economics official in Bonn. "And as for the trade deficit, we would happily buy more from the Americans, but what in heaven's name should it be? Cars? Machine goods? Except for a few high-tech goods, the American products are simply not competitive."

At the height of his power, Ronald Reagan conveyed a contagious sense of optimism and strength to his countrymen, allies and foes. But the Wall Street plunge — coming on the heels of the Iran-contra scandal, the Democrats' takeover of Congress, the rejection of the President's nominee to the Supreme Court — has punctured that upbeat mood.

From a European perspective, Mr. Reagan next month will be welcoming the leader of the Soviet Union from a position of weakness, not strength. In the Persian Gulf, an uncertain America stands at the helm of a Western armada locked in a guerrilla war on the waters with a wily and tenacious Iranian foe.

As Mr. Reagan and the Congress wrangle over the deficit and the dollar sinks in value, it would be welcome indeed for Europe to know that the United States was about to show that it had "the will to make hard choices and do what needs to be done."

popular, but for some professional strategic thinkers, the eventual elimination of the missiles is also a powerful symbol of American disengagement from Europe. They fear it is a first step, to be ineluctably followed by others, perhaps quickened by Mikhail S. Gorbachev's nimble diplomacy.

A senior American diplomat with long experience in Western Europe remarked that allied fears are colored by the awareness that "a great psychological crossroads" has been reached. "A whole phase of postwar history is coming to a close," he argued. "The cozy postwar world the Europeans made for themselves — built on materialism, welfare-statism and an undying belief that the United States would always be there to help them — is crumbling."

As their own stock markets rise and plunge like a snake's tail, many Europeans privately fear that in a deep recession, raw social conflict could emerge.

Wall Street's gyrations reinforce the image of a sorcerer's apprentice losing control of mighty forces he has set in motion. "If ever there was a time when we needed the best quality of political leadership in the United States," commented a Western European envoy, "it is when Gorbachev has booted out the old brigade in Moscow and Zhao Ziyang has booted out the old brigade in Peking. Will the United States step up to the plate of comparable skills in office?"

Americans may retort that they are not witnessing great economic leadership in Europe either. That dualist nation and biggest exporter, it has been urged to stimulate domestic demand to help avert a global recession. Toward that end, West Germany's central bank last week cut two interest rates.

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## Admissions of Perjury

## Israelis Seem Ambivalent on Violence in Domestic War

By THOMAS L. FRIEDMAN

**T**HERE is a war going on here. It is an intercommunal war between Israelis and Palestinians. In Lebanon a similar war between ethnic communities has resulted in the destruction of buildings and whole cities, which makes it easy to detect. But in Israel the Government and its security force are strong, the lid is more tightly sealed, and so, day to day, the war is harder to see. It is not carried out by marching armies, but by individuals, soldiers and civilians, and it is usually confined to the underground or the back alleys of the Government interrogator's office. The toll is not measured in the destruction of buildings but in the damage to people's souls and in the erosion of norms of behavior.

Occasionally, though, something happens in Israel to strip away the veneer of normality and legalities and reveal the atavistic conflict lurking beneath. Last week's Landau Commission report about the Shin Beth, the domestic intelligence agency, was such an event.

A Government-appointed commission, headed by former Supreme Court Justice Moshe Landau, found that since 1971 the Shin Beth had systematically lied to Israeli courts about the methods it used to extract confessions from Palestinians suspected of engaging in, or planning, bombings and other violent attacks against Israelis, both soldiers and civilians. The Shin Beth methods reportedly included various forms of physical torture and psychological pressure, which are against Israeli law. When the Palestinian suspects were brought before Israeli courts and complained that their confessions had been extracted through torture, the Shin Beth agents always denied this and the courts always believed them.

The commission report added, however, that "the use of harsh interrogation methods" and "perjury" were not "meant to convict innocent persons." But unless in

every case the investigators had the right suspect, some innocent people have undoubtedly gone to prison. Not only did the Landau commission exempt from prosecution all of those Israeli officials who were involved in the last 16 years of tortures and perjuries, but it also sanctioned for the future a certain amount of "psychological and physical pressures" during interrogations of Palestinian guerrillas and even laid down secret guidelines for such practices. Perhaps most striking about the Landau report was the complacency with which it was greeted by the Israeli public and the politicians.

Far from being shocked, much of the Israeli public, and virtually all of the Cabinet, seemed ready to condone the Shin Beth's behavior as a necessary evil in the war against militant Palestinian nationalists. There are several reasons for this, said Mordechai Bar-on, a liberal former Parliament member. First, the reports of such practices are not new, particularly after Shin Beth agents were found to have murdered two captured Palestinian bus hijackers in April 1984 and to have framed an Israeli Moslem army officer, Izat Nafsu. Second, said Mr. Bar-on, "the security services are so important in protecting people that no one wants to do anything that might harm them, and, third, after 20 years of occupation of the Palestinians in the territories people's hearts have hardened. A good portion of the public say, 'If the security services did use torture, so what?'"

### Lying to the Courts

After all, Israelis have no monopoly on violence in this war — they just have greater resources. Many of the Palestinians who were tortured into confessing were guilty of planning or carrying out armed violence against Jews and would have been more than ready to trade places with their interrogators.

To be sure there is something healthy in the fact that the Israeli Government would undertake such an investigation. Amnesty International recently found that the Syrian Government was torturing its political prisoners in brutally sadistic ways. Syria has not announced any investigation of the charges.

But what is not healthy, said the Israeli philosopher David Hartman, "is the unwillingness to examine the underlying political reality and the occupation of the West Bank, which creates the conditions for such practices to flourish."

What is clear from the Landau report, said Mr. Bar-on, is the degree to which the occupation — with the intercommunal war it helps to perpetuate — corrupts. In this case the security services were telling lies at the very heart of the Israeli democracy: its courts.

Mr. Hartman added that Israelis have a tendency to believe that the historical preoccupation of the Jewish people with morality, since before they created a modern state, is a birthright that would stick with them no matter what political conditions they were thrown into.

"The notion that we don't do things like torture is the greatest danger to our moral health," said Mr. Hartman. "We have to stop looking at our great moral past and start looking at ourselves as we behave in the present. If we always see ourselves as victims, we will never see ourselves as we really are and never be able to change when we need to."



Izat Nafsu, a Moslem officer in the Israeli Army, was released from prison in May after court ruled he had been framed in a treason case.



Messages from the Moscow Anniversary

# U.S. Welcomes Gorbachev Hints At a New Era

By R.W. APPLE Jr.

IF many in the West found Mikhail S. Gorbachev's keenly anticipated speech on Monday timorous in its reappraisal of the Soviet past, it also contained suggestions of flexibility in the Soviet future — suggestions that will further complicate the problems of Western policy makers who wish to exploit new opportunities while maintaining a healthy skepticism.

"You can't take everything he says at face value," said a Republican senator, "but you can't dismiss it as deception, either. He is talking about some things in a way we have wanted the Soviets to talk, and it would be foolish of us to say now that anything that they say can't be trusted. You can't accept their threats as valid and ignore their promises as invalid."

On as solemn an occasion as there is in the Soviet Union, his major address marking the 70th anniversary of the Bolshevik Revolution, Mr. Gorbachev questioned the picture of the West that Soviet leaders have traditionally painted — that of a group of societies unable to survive without militarism and without the exploitation of weaker nations, and unwilling to join with Communists in an honorable search for peace.

"Since an alliance between a socialist country and capitalist states proved possible in the past, when the threat of fascism arose," the Soviet leader said, "does this not suggest a lesson for the present, for today's world which faces the threat of nuclear catastrophe and the need to insure safe nuclear power production and the threat to the environment?"

With some adjustments for context, the question sounded strikingly like those asked repeatedly in the years immediately after World War II by Dwight D. Eisenhower. He eventually concluded that the answer was "no," but then he was faced not with an innovative Gorbachev but with a rigid Stalin.

More specifically, Mr. Gorbachev condemned what he called "the arrogance of omniscience" in Soviet relations with its allies, urging instead a "more sophisticated culture of mutual relations," and he said he would seek "a palpable breakthrough" on arms limitation when he meets President Reagan in Washington next month. He spoke of two summit meetings — this one and presumably another next year in Moscow that would produce an agreement to reduce stockpiles of long-range nuclear weapons and somehow address the question of limiting or slowing Mr. Reagan's plan for space-based weapons.

Much has been made of the President's need for success at the summit as an antidote to his problems in the Persian Gulf, in Central America, on the economic front and with his Supreme Court nominees. But Mr. Gorbachev's caution in dealing with the ghosts of Soviet history, and his need to confront a brief rebellion by his party colleague Boris N. Yeltsin, provides clear evidence that he needs a trophy or two as well, to show that his way works.

Some in Washington (and in London, Paris and Bonn) suspect that a historic opportunity may be opening to change the world order. Change is in the air in the Soviet Union, they believe, however dimly they may perceive the scope and the meaning of that change, and in the air in Beijing as well. Zhao Ziyang and China's other new leaders signaled a more technocratic, more aggressive future last week not only by what they said but by what they wore — Western-style suits and neckties instead of the high-collared Mao jackets of the past.

But people are nervous. They wonder whether Mr. Gorbachev and his new ideas will survive, whether the weakened Reagan Administration is up to the challenge, whether enough hard thinking has been done. A senior British member of Parliament commented last week, "It's hard to get good information, harder to digest it and even harder to work out what our response should be."

## The Balance Is Shifting

One who seems less shaken than most is Secretary of State George P. Shultz. In his public demeanor, and even more in his private comments to friends, he appeared curiously unfazed last month when it seemed that the summit meeting had been scuttled by the deadlock over the Strategic Defense Initiative, or "Star Wars." Could it be, as one of his confidants has hinted, that there is evidence of some softening of the Soviet Union's implacable opposition to S.D.I., and that the Reagan Administration is preparing to make reciprocal concessions?

Hard-line conservatives think that what they view as a sellout is imminent. Retired Lieut. Gen. Daniel Graham, one of S.D.I.'s most vocal backers, is warning that next month's summit conference, which starts Dec. 7, looks like "another day of infamy."

Perhaps nothing will happen as quickly as the left hopes and the right fears. But the balance in Washington is shifting, with Congress less willing than ever, gripped as it is by economic apprehensions, to countenance further expansion in American military spending, and with Mr. Reagan, both because of his own waning power and the changes in his inner circle of advisers, less able to fight back.

Adding the departure of Caspar W. Weinberger as Secretary of Defense to the death of William J. Casey, the Director of Central Intelligence, and the resignations of John M. Poindexter as national security adviser and Donald T. Regan as White House chief of staff, Mr. Reagan is left with a much more pragmatic corps of key advisers. Frank C. Carlucci, Mr. Weinberger's replacement, has been his protégé, but in a bureaucratic rather than an ideological sense. He is also a former foreign service officer, with lasting links to those whom the hard-liners most suspect and with good relations on Capitol Hill. Those who know him expect him to be a calmer, more controlled, less combative presence in the Pentagon.

With so many elements of the equation in flux, it will not be easy for any of the major protagonists to be bold. But the flux itself is so dramatically different from the situation that prevailed as recently as 1985 that few here even think very much these days about the status quo ante.



Leon Trotsky and his staff inspecting troops in Red Square, about 1921, when he was Commissar for War; at right, Trotsky in exile in Turkey in 1931; Stalin (top) at the Kremlin in 1925.



The New York Times



The New York Times, Jean Winberg

# Trotsky Still Shrouded In Non-Personality Cult

By CHRISTOPHER S. WREN

HE was guardian of the Bolshevik Revolution, defender of its faith, a disciple whose oratory enthralled the masses. "He incarnates, in its keenest expression, the revolution's will to survive," an acquaintance said of Leon Trotsky and his role in the early Soviet years. But he lost out to Stalin in the 1920's and, even now, Trotsky remains a despised fallen angel in the Bolshevik pantheon.

Mikhail S. Gorbachev did nothing to change the perception last week when the Soviet Union celebrated its 70th anniversary, thus showing how slow to change is a system that has traditionally treated the future as certain and the past as unpredictable. The Soviet leader said Trotsky "had, after Lenin's death, displayed excessive pretensions to top leadership in the party, thus fully confirming Lenin's opinion of him as an excessively self-assured politician who always vacillated and cheated." Trotsky's ideas, he said, were "essentially an attack on Leninism all down the line." For all the glasnost currently espoused by the Kremlin, reappraising Trotsky remains off limits.

Why does this man's shadow loom so menacingly after all these years? The key lies in Soviet history. Trotsky was born Lev Davidovich Bronstein in 1879, the son of a hard-working Jewish farmer in the Ukraine. He took up politics as a student in Odessa, landed in a Czarist jail before he turned 19. He forged Trotsky, a jailor's name, on a passport and made it his nom de guerre. Trotsky escaped from Siberian exile in 1907, looked up Lenin in London. By January 1917, he

turned up in New York to help edit an émigré paper, Novy Mir, on Manhattan's Lower East Side. After the Czar was overthrown in February, he made his way home to join the Bolsheviks and help organize their October Revolution.

Trotsky probably did more than anyone but Lenin to keep the young Soviet state alive. He negotiated the separate peace with Germany in World War I, then led the Red Army to victory against the remaining Czarists and the intervening Allies. To the evolving Bolshevik ideology, Trotsky contributed his theory of "uneven and combined development," which held that backward agrarian countries like Russia could bypass the advanced capitalist stage stipulated by Marx and achieve Communism. He frightened the West no less than Lenin did and was as unforgiving to slackers at home. Lenin grew impatient with his rival, but when Lenin died in 1924, Trotsky seemed a logical successor.

## 'Permanent Revolution'

However, Trotsky's strong opinions brought him conflict with Lenin's other heirs. And according to his doctrine of "permanent revolution," Russia's socialism could be safeguarded only by promoting revolutions abroad. "Without direct aid from the European proletariat, the working class of Russia will not be able to retain its power and to turn its temporary supremacy into a permanent socialist dictatorship," he wrote in 1906. On the contrary, Stalin later insisted, Russia could build Communism by itself.

Some scholars believe Trotsky was undone by his blind allegiance to the cause. The British historian Hugh Seton-Watson wrote that Trotsky "underrated the role of personality in politics"

and that "he never understood how Stalin created the power which broke him." Trotsky failed to forge a timely alliance against Stalin with two prominent fellow Bolsheviks, Lev B. Kamenev (his brother-in-law) and Grigory Y. Zinoviev. As the power struggle was played out, Stalin excoriated Trotsky as an enemy of the people and expelled him from Russia in 1929. Kamenev and Zinoviev were shot in 1938, allegedly for plotting with Trotsky, and remain officially disgraced. From exile in Mexico, Trotsky denounced the new leadership with the vindictiveness of a spurned lover, until an assassin, believed to be a Soviet agent, killed him by smashing his skull with an ice ax in 1940.

Much about Trotsky may still discomfit the Kremlin. Trotsky's legacy offers Mr. Gorbachev little worth co-opting, short of repudiating the legacy of Stalin, whom many Russians still revere. And Trotsky's theory of "permanent revolution" is embarrassing when Mr. Gorbachev says he wants to cooperate with the West, not the least on arms control. Trotsky's castigation of Stalin as the "gravedigger of the revolution" was far harsher than Mr. Gorbachev's description of the dictator as "an extremely contradictory personality," whose "gross political errors" were offset by his "incontestable contribution to the struggle for socialism."

Trotsky's views have been championed abroad by a strident splinter group of radicals who profess contempt for the Soviet Union as a degenerate worker's state. To rehabilitate their martyr could invite debate, while Mr. Gorbachev wants to subordinate ideology to pragmatism. Moreover, Trotsky, who loathed bureaucracy with a passion, foresaw the inertia and corruption of the bloated centralized behemoth that has created headaches for Mr. Gorbachev.

In the book "The Revolution Betrayed," written from exile, Leon Trotsky said: "When there are few goods, the purchasers are compelled to stand in line. When the lines are long, it is necessary to appoint a policeman to keep order. Such is the power of the Soviet bureaucracy." Such bluntness may be more glasnost than the current version can tolerate.

## First Direct Presidential Vote in 16 Years

# Koreans View Their Election With Hope — and Cynicism

By SUSAN CHIRA

SEOUL, South Korea — SOUTH KOREANS are enjoying a novel sensation: being courted by politicians eager for their votes. As campaigning accelerates for next month's election, their first chance in 16 years to vote directly for a president, hundreds of thousands of Koreans are turning out at the candidates' rallies.

In a national poll of 1,300 people by the newspaper Dong-a Ilbo, 31.4 percent said they planned to attend rallies and 32.1 percent said they probably would — an interest level many American politicians might envy. But beneath the undeniable enthusiasm is a touch of cynicism, not surprising in a country that has experienced so many jolts and coups, not to mention the 1979 assassination of President Park Chung Hee. In the most fundamental sense, the campaign and the election may be about trust, a scarce commodity. "I'm not very interested in the campaign because there is no guarantee that any big changes will come," said a 36-year-old white-collar worker who asked that his name be withheld. "All the

candidates' policies seem like empty promises."

The four candidates must overcome such attitudes. Roh Tae Woo, a close associate of President Chun Doo Hwan and his handpicked heir apparent until protests in June forced him to face real opposition, has been dodging grenades, gasoline bombs and eggs. And dozens of people rioted in Pusan last week to protest the candidacy of Kim Dae Jung, who nearly defeated President Park in 1971; they called on him to support Kim Young Sam, his longtime rival. Kim Jong Pil, a former Prime Minister in the Park Government, is the fourth candidate.

All four are working on polishing their images. Mr. Roh talks of "the era of the common man," a shrewd way of playing down his background as a career military man and his key role in the 1979 coup that brought Lieutenant General Chun to power. Mr. Roh also points to his surprise announcement June 29 that the Government would capitulate to demands for direct presidential elections. Kim Young Sam portrays himself as a politician who has fought the Government but remains a moderate. A vote for him, he says, is a way to register dissatisfaction without alienating the military, which has made no secret of its intense dislike for his rival, Kim Dae Jung.

For his part, Kim Dae Jung is trying to stake a moral claim, pointing to his imprisonment and long periods of house arrest. He promises to champion the interests of those who feel left out of the national economic miracle — the urban poor, low-paid workers and farmers struggling with debt. Kim Jong Pil, fighting against attempts to portray him as a man of the past, points to his long experience in government and the astounding economic development of the Park years.

What do the voters think? Scientific assessment is impossible because a Korean law (to be superseded later this month) prohibits publication of surveys of candidate preferences. Dong-a Ilbo's survey found that 61 percent of South Koreans had made their choice among the four candidates and nearly 32 percent remained undecided.

## Views From the Sidewalk

Discussions with Seoul residents, on sidewalks and university campuses and in coffee shops, yielded answers ranging from the philosophical to the flip.

"I am watching for the candidate who can deliver what the people want," said a 32-year-old teacher who gave his name as Cho. "I will listen to the politicians"

promises and think about who can keep his word." Mr. Cho said he liked Mr. Roh's slogan about the common man but could not forget his ties with the current Government. Like many Koreans, he found it sad that Kim Dae Jung and Kim Young Sam could not get together so as to avoid splitting the opposition. In the end, Mr. Cho said, he was leaning toward Kim Dae Jung because he had fought the hardest for democracy. But, he said, "I must watch to see whether he will fulfill my trust."

A 24-year-old aerobics instructor, who said she will vote for Kim Jong Pil, offered a terse review of the candidates: "Roh Tae Woo, gentle; Kim Dae Jung, full of lies; Kim Young Sam, someone who studied politics; Kim Jong Pil, a man from the past but one who is trying hard." Roh Tae Woo and Kim Young Sam also had their champions, voters who admire Mr. Roh for his military service or who believe Mr. Kim, who has drawn enormous crowds, is the most responsible opposition choice.

Many Koreans would agree, however, with a student also named Cho, who says he is wary but hopes for the best. "What is more important than who becomes President," he said, "is whether we can actually go through the necessary changes to become more democratic."

# The Nation

## Election '87

### In Victories, Democrats See Omens of 1988

If there is one reliable result of state and local elections, it is the claim by interested parties that the outcome is a reliable guide to the course of a coming national contest. And so last week, after two gubernatorial races and a handful of mayoral ones, the Democrats hailed good omens for 1988, and the Republicans "bittersweet success." (Democratic glee in the region, page 7.)

The Democrats' jubilation was over the victory of their candidate for the Statehouse in Mississippi, Ray Mabus, a 39-year-old Harvard-educated lawyer, over Jack Reed, a 63-year-old businessman. And in Kentucky, Wallace Wilkinson, a 45-year-old self-made millionaire, took 65 percent of the vote, the highest ever recorded in a Governor's race there. John Harper, a Republican state Representative, won 35 percent.

The Republican "bittersweet" reference was to the fact that with 53 percent of the vote, Mr. Mabus's win could hardly be considered sweeping for a traditionally Democratic region. "Jack Reed's strong showing is good news for the Republican Party across the South," Frank Fahrenkopf, chairman of the party, said.

Mr. Mabus, who is white, was elected on a wave of black votes, while losing the white vote by about 3 to 2. Racial division, though of another kind, was important in some mayoral races. In Philadelphia, the incumbent, W. Wilson Goode, a black Democrat, took 98 percent of the black vote and 20 percent of the white vote — less than the share he won in 1983 but just enough to eke out a 51 percent victory over former Mayor Frank L. Rizzo, a former Democrat running on the Republican line. But in



Mayor W. Wilson Goode, after winning in Philadelphia.

Associated Press

Charlotte, where Harvey Gantt became the predominantly white city's first black mayor in 1983 with 36 percent of the white vote, slippage to 34 percent meant a narrow victory for Sue Myrick, a white former City Council member. Race is expected to be a key factor in Miami this Tuesday, in the runoff election between Mayor Xavier Suarez, the Cuban-born incumbent, and former six-term Mayor Maurice Ferre; 80 percent of the black vote in last week's balloting went to Arthur Teele, a black attorney, who finished a strong third.

But money was what seemed to matter in many of the 78 statewide ballot questions across the country. Texas and Virginia approved gambling measures as an alternative to taxes, despite strong opposition from church groups. In Maine, electric bills counted more than environmental worries, defeating a plan to shut down the Maine Yankee nuclear plant next year. And in the District of Columbia, a measure to require deposits on beverage containers was voted down, largely, analysts said, because of concern among the city's poor about added costs.

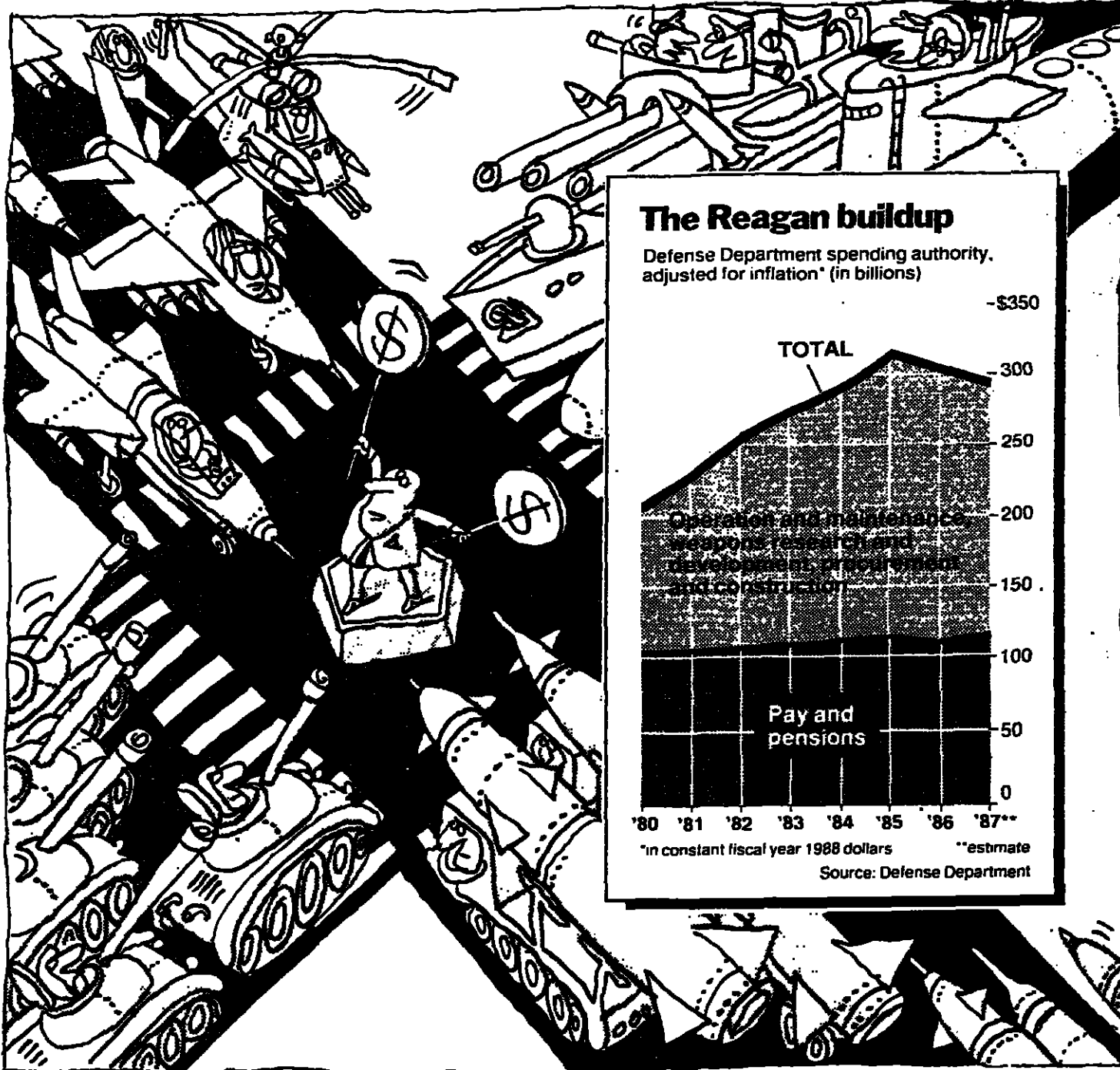
CAROLINE RAND HERRON

## Verbatim: Cheering Others On

'Today, probably for the first time ever, there are about as many people, women, prepared to vote for you because you are a qualified woman as there are people, meaning men, ready to vote against you because you are a woman. Sex prejudice, you might say, the proclivity to either accept or reject you as a woman, is more closely balanced today than it has ever been — which is to say that being a woman is less of a disadvantage now than it has ever been. . . . I'll tell you, I'm sorry that Pat Schroeder withdrew. I was glad to have a woman in the race. I think it was time to have a woman in the race.'

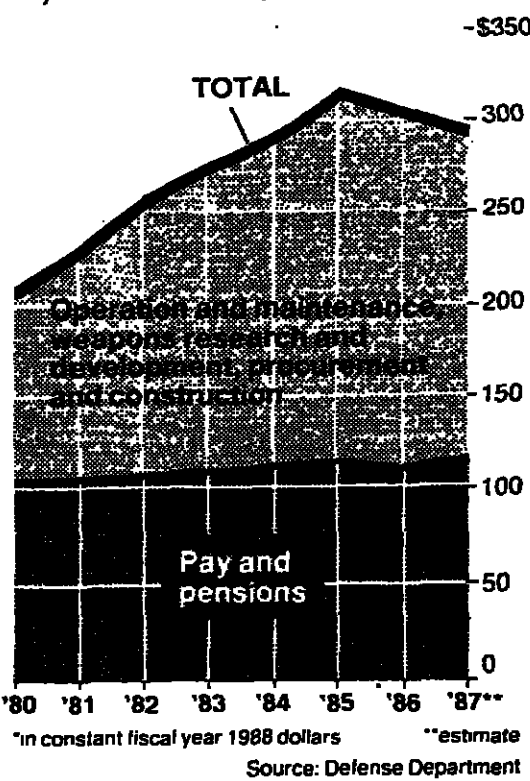
Dr. Jeane J. Kirkpatrick, former chief United States delegate to the United Nations, in an interview after announcing she would not run for President herself.

## Two New Faces in the Cabinet



### The Reagan buildup

Defense Department spending authority, adjusted for inflation\* (in billions)



Frank C. Carlucci

under these circumstances. I think the answer is, you don't."

Mr. Carlucci is no stranger to the military budget process, which in normal times is a year-round series of internal Pentagon reviews, White House consultations, proposals to Congress, hearings and finally legislation, moving with the regularity of the seasons. From 1981 to 1983, he was responsible for the day-to-day management of the department as deputy to Defense Secretary Weinberger, who resigned last week, saying that he wanted to spend more time with his wife, who has been ill. Mr. Carlucci, who left the department in 1983 for a brief sojourn in the private sector, has been President Reagan's national security adviser for the past year.

In the first four years of the Reagan Administration, said Robert Helm, assistant secretary and comptroller of the Pentagon, the military budget grew, on the average, 8 percent a year above the inflation rate. In the second Reagan term, he said, the budget appears likely to average a 2.5 percent annual decline, after adjustment for inflation.

"It's easy to work with a bureaucracy if you are handing out an expanding budget," said another senior Pentagon policy maker, describing the task that lies ahead for Mr. Carlucci. "But we fear a deep cut for next year." The best guess is that the budget will be more or less frozen this year, at \$289 billion. If automatic Gramm-Rudman spending cuts are triggered Nov. 20, the budget could be reduced to no more than \$274 billion. And if a substantial tax increase is approved, it could be increased to better than \$295 billion.

As a practical matter, Mr. Carlucci will have to confront an unusual disruption in the ordinary military planning process. Last January's two-year spending request, an experiment aimed at stabilizing weapons programs in order to promote efficiency, set growth at 3 percent a year above the inflation rate. But Congress, which at first endorsed two-year budgeting, decided instead to attack the problem one year at a time. While the debate dragged on, the Pentagon simply assumed that 1989 spending would go unscathed. In a crucial series of meetings last month, when the 1989 budget request would ordinarily be considered, the top-level Defense Resources Board made no attempt to plan for the apparently inevitable cuts. Mr. Helm explained, "They lack policy guidance from the White House, and programmatic priorities from the Secretary of Defense."

Now Mr. Carlucci must quickly come up with a plan to reduce spending. It won't be easy: Senator Sam Nunn, the Georgia Democrat who is chairman of the Armed Services Committee, has said that the Pentagon's present five-year plan diverges from the most likely spending trend by \$300 billion or more.

## Defense

### Carlucci's First Problem Is A Paralyzed Military Budget

By JOHN H. CUSHMAN JR.

WASHINGTON When Frank C. Carlucci succeeds Caspar W. Weinberger as Defense Secretary, his most pressing problem will be to untangle the budgetary gridlock that has practically immobilized the Pentagon's planning, say senior officials in the Administration and Congress.

As Congress and the White House negotiate over a deficit-cutting package of tax increases and spending reductions, the military cannot say with any confidence whether it will get a trifle more than \$295 billion or a tad less than \$275 billion this year.

Even in a military program that has cost \$2 trillion over the Reagan years, the difference is hardly inconsequential: It would buy 7,692 M-1 tanks, at the price of \$2.6 million apiece that the Army paid to buy 815 of them in

the last fiscal year. Or it would buy 651 F-18 aircraft, at the \$30.7 million each that the Navy planned to pay for just 84 of them in this fiscal year.

"It's absolutely paralysis," said Representative Jim Courter, a New Jersey Republican. A member of the House Armed Services Committee who is among the panel's most reliable supporters of the Reagan Administration's military policies, Mr. Courter called the uncertainty over spending "the worst I've ever seen."

Beyond the cuts or the freeze considered probable in the current year, it is virtually certain that \$30 billion to \$40 billion will be cut from the Pentagon's request for the fiscal year 1989, made in a biennial budget it presented to Congress last January. But no one has begun to consider seriously how this ought to be accomplished.

"The amount of uncertainty at this time of year is higher than anything I can remember," said a Congressional official who has watched Pentagon budgets for over 20 years. "I don't know how you rationally plan

## Labor

### A Caretaker Nominated to Oversee the Brock Legacy

By ROBERT PEAR

WASHINGTON In 1981, when President Reagan dismissed striking air traffic controllers who had refused to return to work, he noted that he had once led a strike as head of the Screen Actors Guild. But it was his swift, firm response to the controllers' strike, not his background as a Hollywood labor leader, that set the tone for labor relations in his first term. The labor movement and Mr. Reagan's first Labor Secretary, Raymond J. Donovan, appeared to have little use for or contact with each other.

President Reagan returned last week to the White House Rose Garden, where he had denounced the air traffic controllers in 1981, and announced the selection of Ann Dore McLaughlin to be his third Secretary of Labor. If confirmed by the Senate, she will succeed William E. Brock 3d, who resigned to run the Presidential campaign of Senator Bob Dole, Republican of Kansas.

Mrs. McLaughlin, 45 years old, a former public relations executive, was chief spokesman for Donald T. Regan when he was Secretary of the Treasury. More recently, she was Under Secretary of Interior. She has no particular experience in labor issues, but R.T. McNamara, a former Deputy Secretary of the Treasury, described her as "a fast learner, a quick study."

In any case, in the final year of the Administration, she will not be making new policy so much as defending the policies of the last seven years. Frederick J. Krebs, a lawyer with the Chamber of Commerce of the United States, said: "We do not expect a change in the Labor Department's position on any issue. Mrs. McLaughlin has the Reagan philosophy. That is more important than whether she has a great understanding of substantive labor issues."

Labor lobbyists said they knew of nothing to recommend Mrs. McLaughlin for the job of Labor Secretary but saw no use in opposing her nomination. Rachelle Horowitz, political director of the American Federation of Teachers, which has 600,000 members, said she hoped Mrs. McLaughlin would be "in the Brock tradition," and



Ann Dore McLaughlin

1985, Mr. Brock restored morale at the Labor Department and gained high marks as an influential participant in Administration policy debates. In particular, he fought with Attorney General Edwin Meese 3d over a Justice Department proposal to end numerical goals for Federal contractors' hiring of women and members of minority groups. The proposal appears to have been deferred indefinitely.

Labor Department employees said they were unsure whether Mrs. McLaughlin would have as much stature or power as Mr. Brock in such interagency battles.

Mr. Brock also seemed to breathe new life into the Occupational Safety and Health Administration, a Labor Department agency that sets and enforces standards for workplace safety. Unions complained that enforcement was weak under Mr. Donovan, reflecting the President's desire to cut back Government regulation; but under Mr. Brock the agency has imposed several multimillion-dollar fines for safety violations. Last week it proposed a total of nearly \$4.2 million in penalties against Bath Iron Works, a shipbuilding and repair facility in Maine.

Mrs. McLaughlin has given no indication whether she would continue such vigorous enforcement. But Administration officials said they realized that the role of Government in guaranteeing safety, whether for employees in the workplace or for air travelers in the sky, was a potential issue in the 1988 elections, so that any cutbacks in enforcement could be politically hazardous.



EAST GERMANY/Serge Schmemmann

# Glasnost Comes To the Cabaret, And Political Satire Takes Center Stage

**T**O FIND THE PFEFFERMÜHLE, just follow Bach's disapproving gaze. Standing on his sooty granite pedestal by the side of Leipzig's old St. Thomas Church, where he used to direct the choir, he glowers at a wooden door across the way from which, in the evening, come muffled bursts of laughter.

Follow it, across a cobbled courtyard, past a dim café and into a snug hall of no more than 200 seats, each filled by a very jolly German.

On the small stage, a pretty young woman revels at the sunset. But the vigilant Communist party secretary, easily identifiable by his gray suit and class-struggle patter, demands to know what use the sunset is for building socialism. In fact, he says, the sunset is ideologically questionable: "The West stays light, and sees it getting darker in the East." The audience howls.

In East Germany, a few small satirical theaters across the country — heirs of the great intellectual cabarets of the 20's and 30's — have kept alive a strong tradition of social and political satire. The Pfeffermühle in Leipzig, the venerable Distel in East Berlin, the Stick of Hercules in Dresden and another 10 or so professional clubs known as "cabarets" (to distinguish them from variety programs) keep their sold-out houses roaring nightly with spoofs on shortages, hardships, bureaucracies and the vagaries of life.

Though the winds of glasnost have not been welcomed in East Germany, its breezes have inevitably reached the cabarets.

"The mood has had an effect — just look at today's program," said Otto Rainer, director of the Pfeffermühle (which means peppermill) since 1961. "It has become possible to discuss problems more openly."

"But I can't say it's a general trend," he added.

The programs are carefully vetted, and the limits are distinct — short-

ages and party secretaries can be spoofed, but the party and its senior leaders cannot, and sensitive subjects like relations with the Soviet Union or West Germany are handled very gingerly. So all ears were instantly tuned when an actor said, "I'd like to quote something Gorbachev recently said, but would it be appropriate?"

"Probably not," came the reply, "but here nobody will tell you that."

"Well, maybe then I'll sing it instead," said the actor, and proceeded to belt out a line from the Soviet leader about the need for truthfulness and honesty and the harm of hiding or falsifying statistics.

"Like the number of people who watch the East German television news program," another actor cut in, and, back on safe ground after the brief sally into murky territory, the crowd rocked with laughter.

In a country where almost everyone can tune in West German TV, few watch East German programs, and certainly not the propaganda and self-praise that is served as news.

Political jokes are by definition in-jokes, drawing largely on current events and sensitivities, and in the East the main source of titillation has always been to totter as precariously as possible on the edge of the politically permissible. It is a very special humor, somewhat like the guilty giggles of schoolchildren watching the teacher behind her back.

It is riskier, and therefore funnier, if the teacher is pompous and lacks humor, and in the Soviet bloc the evolution of the underground political anecdote into a major source of political and social commentary has been greatly assisted by regimes that have difficulty distinguishing between satire and subversion.



The stage at the Distel, where troupes perform spoofs on hardships, bureaucracies and the vagaries of life to sold-out houses

But the humor is by no means all underground. Officially sanctioned satire has also come a long way from roasting top-hatted capitalists and greedy reactionaries. In Moscow, comics like Arkady Raikin are making sharp sallies against shortages, bureaucrats and corruption when Mr. Gorbachev was still a Communist Youth leader in Stavropol, and today glasnost has further lifted the lid on humor that used to be spread in whispers among friends.

East German cabarets have always been somewhat more sophisticated than those of their Eastern neighbors because of a situation unique in the Soviet bloc: Almost all East Germans have unrestricted access to West German television, and thus know not only about the outside world, but about their own world as well.

"Gorbachev launched glasnost to make his people aware of what's going on," said an East German official in East Berlin. "Our problem has always been the opposite — we've always had too much imported glas-

nost."

The sophistication allows actors to take for granted a level of political savvy few of their Eastern neighbors have. The downside, of course, is that the audiences cannot be too easily fooled.

At the Distel in East Berlin, a chance meeting between two Germans from opposite sides of the Wall is interrupted by a loud noise. "That's a sonic boom," says the West German. "We hear them all the time." "We hear them too," says the East German.

No more need be said. It is common knowledge that the Soviet Union regularly signals displeasure with something the Western Allies have done by breaking the sound barrier over Berlin. A sharp burst of laughter makes clear that the audience knows the East Berliner is not talking of sonic booms.

The Distel, opened in 1953, is the doyen of East German cabaret. The stairs to the second-floor theater are

lined with the posters and photographs of an established repertory, and the mood of the old cabarets is evoked with small tables set on the fringes of the theater, at which select guests can order wine.

Some say the Distel has begun to show signs of age, but it remains probably the most professional of the cabarets, and the 350-odd seats are always in demand. And it can still send a potent titter through the crowd.

Just putting an East and West Berliner on stage together is considered somewhat risqué, since the division of Germany remains one of the more touchy subjects. In this exchange, the conversation turned to unification, which is anathema to East Germany's leaders.

"Wouldn't it be great if we were reunited?" says the West Berliner. "Yes," muses the East German. "Our athletes and your amateur pilots." The reference is obviously to Mathias Rust, the 19-year-old West German who became something of a national hero last June by flying a

single-engine plane into Red Square in Moscow.

They eat on, and the West German comments that the hamburger is pretty good. No, says the East German, in German the dish is "bouletten." The jab at the Americanization of West Germany is stock stuff, but the West German's retort is not: "You call them bouletten, we call them hamburgers — that's like fire and water."

No one in the audience could miss the pointed trivialization of the differences between the two Germanys. In a statement quoted regularly in both East and West, the East German leader, Erich Honecker, once declared that Communism and capitalism, and so the two Germanies, were as different as fire and water.

The Wall, too, makes an appearance. An East Berliner notes that West Berlin orders occasional smog alarms, when citizens are urged to cut back on auto use and other pollution, but East Berlin never does.

"Our borders must be airtight," he quips.

## Arts & Leisure

### In the Movies, Facts Don't Always Give the True Story

By JANET MASLIN

**A**s its title makes clear, and the film itself makes even clearer, "Gaby — A True Story" is about a real woman and her real travails. Gabriela Brimmer was born with cerebral palsy, and without command of any muscles except those in her left foot. That foot became her only means of communication: she could spell out words by pointing her big toe at an alphabet board. Ms. Brimmer, with the help of an extremely devoted nanny, was able to overcome this handicap in a very big way. She demanded to go to regular schools, attended the University of Mexico, adopted a child, and became the subject of a best-selling book in her native country. Now she's a film heroine as well.

But she's not the sort of heroine whom viewers can watch with the same equanimity they might bring to a purely fictional creation. Watching her (as played by Rachel Levin) is unsettling, not because of her disability but because of her palpable presence both on and behind the screen. Miss Brimmer supplied the film with a dedication and a few lines of narration, and worked with the director Luis Mandoki in telling her story. Whether or not she was physically present while the film was being made, she must have been a powerfully influential figure in the minds of Mr. Mandoki and all of his co-workers. And her impact, deliberate or otherwise, guarantees "Gaby — A True Story" a narrower range and more reverential style than a film less committed to so-called truthfulness might have had.

When a real person is the source or model for a film, a certain degree of distortion is inevitably created. It becomes impossible to ignore the self-image and sensitivities of this real person, and we begin making allowances accordingly. We may, as in "La Bamba," sense instinctively that the dead rock star's family members are

being more gently treated than other characters in his story, perhaps because they spent time with the director or controlled rights to the material. Or it may be that the living subject of a biographical film (as in "Chuck Berry Hail! Hail! Rock 'n' Roll!") exerts an obvious control over what information finds its way into the finished product. It may simply be a matter of soft-pedaling unpleasant realities so as not to hurt anyone's feelings. Whatever the reason, films revolving around real individuals draw a distinction between what is authentic — technically faithful to the facts — and what is true.

The best of these films, even when they take liberties with facts, use real personalities to create a larger, more colorful reality than their source material may have had. On the other hand, when films are reverential about their models and slavish about their facts, they have a way of losing track of a larger truthfulness. Has this particular scene been included in the film because it's an essential part of the story? Or is it there simply because it happened to someone and that person would like it recorded for posterity? Like a lot of contemporary fiction, films made in the shadow of their real-life inspirations often have trouble distinguishing important information from simple memorabilia.

The audience's willingness to accept certain facts about real-life characters usually has more to do with a film's overall persuasiveness than with the facts themselves. The magnificent tawdriness of "Barfly" seems entirely honest, even though an earlier film about the poet Charles Bukowski, "Tales of Ordinary Madness," took similar material and made it ridiculous; what works here is the power of the acting and direction as much as the facts themselves. But an audience may watch the somewhat clumsier "Weeds" and wonder why it should believe that a suicidal convict could become a successful playwright and director, even if that did happen to the film's real-life model.

"Cry Freedom," Sir Richard Atten-

borough's new film about the South African anti-apartheid leader Stephen Biko and the white newspaper editor Donald Woods, keeps its realistic models very much on the audience's mind. That is as it should be, since Sir Richard obviously intends the film to have a reportorial quality, but it also happens in less welcome ways. The portrait of the martyred Mr. Biko (played stirring by Denzel Washington) is both wholehearted and skimpy, without even the ordinary modicum of biographical touches, which characterizes his conversation even in private, the Biko character says little, and he disappears fairly early in the film.

Pervading the rest of "Cry Freedom" is the question of why Mr. Woods's character has been made so much the more prominent of the two. We wind up knowing a lot more about Mr. Woods — about his family, about the David Bowie posters in his home and in his office — than we do about a revered South African leader, and it's impossible not to wonder why. Since Mr. Woods seems a much more self-effacing figure in his own book, "Biko," the film's priorities are even more puzzling. And Mr. Attenborough's talk-show comments about not wanting to preach to the converted, and about giving the story a positive quality by concentrating on a living figure rather than a murdered one, don't cast any more light.

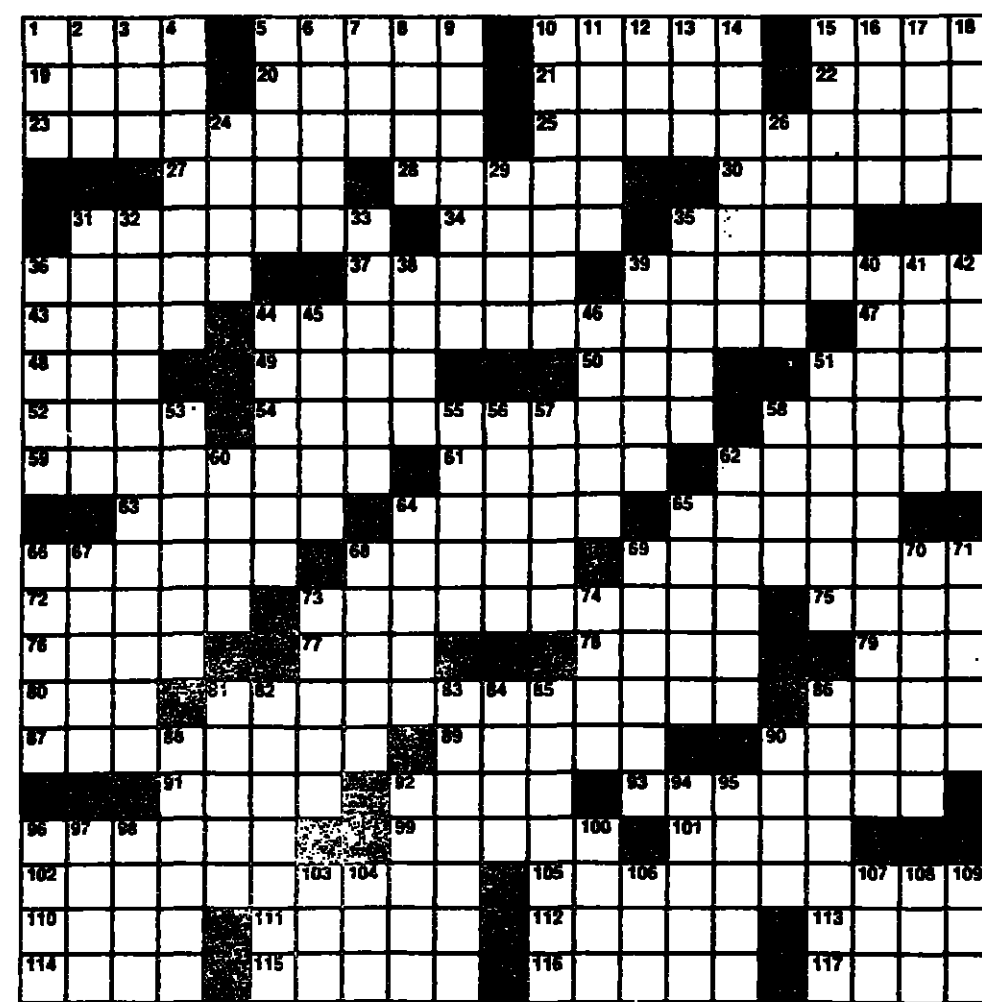
"Cry Freedom" raises the persistent questions that haunt film making overshadowed by fact: how have the film makers been influenced by their real-life models? Would this same material make sense on the screen if it weren't true? And in this watered-down version, can it be considered true, anyway? The more direct approach taken by television movies is positively refreshing by comparison: an actress who's had a terrible illness plays herself in her own story, and the awkward presence of the real-life figure is exploited without shame. That's that. But for feature films, especially films about subjects this important, it's rarely that simple.

## Imperfect Copies

BY RICHARD SILVESTRI/Puzzles Edited by Eugene T. Maleska

### ACROSS

- 1 Audition award
- 5 Able follower
- 10 Gives an R or X
- 15 Plucky
- 19 Tony's cousin
- 20 "In bad company": Bierce
- 21 Originate
- 22 City on the Oka
- 23 Cliff fragment
- 25 Classifies insects
- 27 Space agency
- 28 Condition
- 30 Composed
- 31 Diminishing
- 34 Currier's partner
- 35 Resiliency
- 36 Jollity
- 37 Lazy one
- 39 Province of Spain
- 43 Author Eliav
- 44 Metal splinter
- 47 Seat for Mattingly
- 48 Large parrot
- 49 "The Love...": 1924 song
- 50 Suffix with Capri
- 51 Component of E-mc<sup>2</sup>
- 52 Pelagic fliers
- 54 Track ordeal
- 58 Chewy nut
- 59 Mixed
- 61 "Goodnight" lady
- 62 Goddess of the moon
- 63 Extort
- 64 Knocks silly
- 65 Miss Muffet's morsels
- 66 Maroon
- 68 Excite
- 69 Makes a nexus
- 72 Garro-way's sign-off
- 73 Twists blankets
- 75 Challenge
- 76 View from Buffalo
- 77 Night before
- 78 Yorkshire river
- 79 Two-decade sleeper
- 80 Scottish alder
- 81 Meanness dog
- 86 French state
- 87 Breathed
- 89 Street show
- 90 The end for Socrates
- 91 Unique person
- 92 Millay's "The Tree"
- 93 Loathe
- 96 Bambi's creator
- 99 Problems for lispers



- 101 Lascivious look
- 102 Gives radicals a go
- 105 Dye a fabric
- 110 Verve
- 111 Forgo
- 112 Scout master?
- 113 Lug
- 114 Liner
- 115 Fix firmly in place
- 116 Less daft
- 117 Once, formerly
- 15 "Enjoy, Enjoy!" author
- 16 A Met score
- 17 Millrose Games, e.g.
- 18 Otherwise
- 24 Narrow walk
- 26 Pyrexia
- 29 Declare with confidence
- 31 Frames for drying clothes
- 32 DePalma's intelligence
- 33 Balm of —
- 35 Courtroom malice
- 36 — fool of (dupe)
- 38 Thrice CLIX
- 39 Curriculum — (resume)
- 40 Packs menus
- 41 "Ghosts" writer
- 42 Approach to a pew
- 44 In one's cups
- 45 "The Lady —": 1935 song
- 46 Cuts of meat
- 51 Performed a pinhole maneuver
- 53 Comfort
- 55 Brightened
- 56 Tie up
- 57 Freshen
- 58 European capital
- 60 Actor Auberjonois
- 62 Diurnal ambulatory phenomenon
- 64 Saddle afflictions
- 65 Thicket
- 66 Assagai
- 67 Zola's "La —"
- 68 Went on wildly
- 69 Made happen
- 70 M.A.S.H. procedure
- 71 Partitions
- 73 Bremen's river
- 74 York symbol
- 81 Twining stems
- 82 "— All?": 1929 song
- 83 Braided
- 84 Ovine sounds
- 85 Blotter statistics
- 86 Qatar is one
- 88 Powerful
- 90 Uncloses, to the Bard
- 92 Annoyance maneuver
- 94 Upper crust
- 95 Man of La Mancha
- 96 Footfall
- 97 One of the Guthries
- 98 Mythomaniac
- 100 Ancient ambulatory
- 103 "— the Walrus": Beatles song
- 104 Eve's genesis
- 106 Miller who dances
- 107 Rocky pinnacle
- 108 Part of T.G.I.F.
- 109 Meadowlands cager

### ANSWER TO PREVIOUS PUZZLE

BRANDON RAISIN PLASSED  
RETAIN DELORME INTONE  
ATTEST IPOWOWA COURTS  
CIA CONCATENATION TRE  
ERIC PITS ROOT LEEN  
RENAN LATESCENT BEAST  
MODE MOOD APER  
CRETE SIPS RAISE  
CHORES EIGHTHS SERPENT  
LAWA UTTERS MASC HATE  
ENAL EROSE PLOUUA ASIA  
AOWT TANT DEPORT WICA  
REISSUE ALLIES IRIDIC  
MATED ARMS VOCES  
LIVES RIGA NEMI  
PRICE ABECEGIAN ASSOC  
RUMS ARES TOPE MEYA  
APH PHILEMATOLOGY PIN  
TEEPSEE ANODYNE NAISON  
ERRATA STRIKES ELOISE  
STEWARD SATIED TENSETS



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## Got Ten Dollars for a Cup of Coffee?

If push comes to shove, says Treasury Secretary Baker, Washington won't raise interest rates to protect the value of the dollar. Mr. Baker has his priorities right: The risk of high interest rates causing recession exceed the risk of a falling dollar leading to a punishing inflation.

Though sensible, this calculation is no substitute for curbing America's fiscal profligacy and correcting the allies' misplaced conservatism. West Germany's reluctant decision to reduce interest rates is only a shuffle in the right direction. Until the industrial powers accept the need for close policy coordination, world prosperity will hang by a thread.

With Federal deficits absorbing \$1.5 trillion in savings during the 1980's, America depended on foreigners to provide much of the economy's capital. Now the party is over. Private investors, fearing repayment of their debts in depreciated currency, are no longer eager to put the next round of import bills on the tab. And that has left the economic powers with risky and unappealing choices.

Central banks could go on purchasing the dollars shunned by private investors, in effect supplying the yen and marks Americans need to keep on buying all those Toyotas and BMW's. But the appeal is wearing thin for German and Japanese bankers, who have been forced to absorb tens of billions of dollars in the last few months.

America might, of course, coax back private foreign capital by raising interest rates. But more expensive credit would cut car sales, housing construction and industrial investment, likely pushing an already wobbly American economy into recession.

## Who Will Lead New York Schools?

Should New York City's Board of Education be expanded, replaced or abolished altogether? Such questions are properly raised as the board struggles to find a successor to Chancellor Nathan Quinones, who retires on Jan. 1. The stumbling search exemplifies a crisis of competence for the nation's largest school system, a crisis that begins with the board president, Robert Wagner Jr.

New York's schools suffer from a dropout rate of at least 30 percent, depending on who's counting, and graduate youngsters unable to qualify for entry-level jobs. Reformers despair of ever bestirring a bloated central bureaucracy that often seems incapable of administering the simplest programs.

Such problems are blamed on the system's size and its decentralized structure. But in recent years, one factor has overwhelmed all others: lack of leadership. The failure can be attributed in part to Mr. Quinones, whose three-year tenure was marked by a bureaucratic, uninspiring style. But Mr. Wagner also shares responsibility.

In 16 months as president, he has tried to fill the leadership void by becoming a super chancellor. So far, he's shown more interest in raising questions about the system than in fighting for remedies to glaring problems.

Even the search for a new chancellor got off to a slow start. After Mr. Quinones announced his retirement last August, it took six weeks before Mr. Wagner and the six other board members were able

even to announce an eight-member advisory panel to screen candidates and submit a list of finalists. The panel will barely complete its work by the time Mr. Quinones steps down. That will require the appointment of an acting chancellor perhaps until the end of the school year.

Meanwhile, the board has lost momentum in developing a coherent agenda. It has yet to receive, let alone digest, several task force reports on issues like improving the professionalism of teachers, assessing the value of junior high schools and beefing up the general management of the school system.

There are also immediate issues. For example, there's a teacher shortage ahead, but the city's Board of Examiners continues to complicate hiring by, in effect, duplicating the state certification process. And the local school boards, designed to permit greater community and parental involvement, have long been stifled by more powerful political interests. Remedies require action by the State Legislature, but it's unlikely to move without an aggressive push from the board.

Mr. Wagner has been an energetic voice for education, but he has yet to exercise the kind of leadership that would unite his fellow board members into a chorus. Such leadership would make it easier to find a strong new chancellor. It would also be the most cogent response to demands for restructuring or abolishing the board.

In addition, in the winter of 1864-65, the Civil War President used his executive powers to secure passage in the House of Representatives for the 13th Amendment, putting a final end to slavery throughout the United States. Thus the man who wrote, "If slavery is not wrong, nothing is wrong," was truly the Great Emancipator, and we should indeed teach 13-year-olds that Lincoln freed the slaves.

HANS L. TREFOUSE  
Distinguished Professor of History  
Brooklyn College  
Brooklyn, Oct. 23, 1987

## 'My Husband, Ed, and I...'

The defendant before Federal Judge R. Allan Edgar was the son of a Congressman, so pleas for leniency from influential quarters could be expected. But the Judge still must have been startled by a letter from Ursula Meese urging "very favorable consideration" for Joe Duncan, who stood convicted of tax fraud. The behavior of Edwin Meese, Ursula's husband and the Attorney General of the United States, remains as startling.

"My husband, Ed, and I consider Mr. Duncan to be an outstanding, conscientious and sensitive young man," wrote Mrs. Meese, whose niece was a close friend of the convicted man. Meanwhile, the Federal prosecutors who call Mr. Meese boss were demanding a prison term of three years and a "substantial" fine up to a maximum of \$100,000.

Mrs. Meese says she acted on her own: "I am an individual in my own right." She said her husband learned of the letter after it had been sent and said merely, "O.K."

It wasn't O.K. In fact, the letter was a grossly improper and arrogant abuse. Even if Mrs. Meese wrote without her husband's knowledge, Mr. Meese should have repudiated the letter the instant he learned of it. Yet Mr. Meese's spokesman, Terry Eastland, refuses to say whether his boss considered the letter improper.

The letter remains, unrebuted, in Mr. Duncan's file at the Federal Court in Chattanooga, which also records the sentence: six months in prison, 400 hours of community service and a \$3,000 fine. Without knowing more of the case, there is no way to know if that's just. What's clearly unjust is the willingness of Ed Meese, whose President appointed Judge Edgar and whose lawyers appear before him, still to say O.K.

## Moscow's Eloquent Silence

Just imagine what Mikhail Gorbachev's predecessors would have made of the stock market fall. Capitalism's rottenness is now painfully obvious, they would have proclaimed. Yet, as the world's Marxist-Leninists gathered in Moscow to commemorate the revolution that brought them to power 70 years ago, no such ideas were put forward.

Mr. Gorbachev did speak of the crash at some length in his speech opening the anniversary celebration. But it was to underline his own agenda and call upon the West to follow a similar one: reducing international hostility so as to direct scarce resources away from military use.

More interesting than Mr. Gorbachev's analysis is that he saw the West's dilemma as his own. With Communists across the world straining to adopt aspects of the free market system, gloating over capitalism's strains would not have been helpful.

The West gets most of its clues about Soviet "new thinking" when Mr. Gorbachev says something a predecessor wouldn't have dared say. His failure to say something they surely would have said is just as eloquent.

## Topics of The Times

### A Redevelopment Rescue

The Brooklyn Army Terminal, completed as World War II drew to an end, served the Army in World War II and the Korean War. Then the waterfront facility fell into decay as goods and manpower began to move by air.

Two years ago, the city gave its Public Development Corporation \$33 million to renovate a million square feet for manufacturing in one of the Terminal's decaying buildings. There were fears that the cost would creep to \$66 million or maybe \$99 million. Skeptics recalled the refurbishing overruns of Yankee Stadium. They also doubted P.D.C.'s claim that it could complete the reconstruction on time and find commercial tenants.

The city succeeded. Not only has it met the budget and the calendar. It has already leased 250,000 square feet — a quarter of the renovated area — to five apparel firms, three printers and a lighting manufacturer. When fully leased, P.D.C. expects between 1,500 and 2,000 manufacturing jobs will have been retained or created.

The terminal's renaissance bolsters the city's commitment to a diversified economy, to manufacturing and to its outer boroughs.

## Letters

### Through Socialist Woods in Gorbachev's Troika

To the Editor:

In "It Isn't Only Glasnost" (column, Oct. 30), Flora Lewis does an excellent job defining glasnost (as, more than openness, letting it all hang out) and pointing out that perestroika (restructuring) is the more important tool of Mikhail S. Gorbachev's policy. However, to assess more fully the current ferment in the Soviet Union, it is important to be aware that the Soviet leader's distinct operational entities are not just the pair of glasnost and perestroika, but a troika, the third horse being democratization. Even more important is the hierarchy among these three operational entities of policy and their relationship to Mr. Gorbachev's higher objectives.

Of the three, perestroika is by far the most important in Mr. Gorbachev's scheme of things. Critical as it is, it is merely a means to a higher objective: to uphold the viability of the Soviet Union as a superpower.

The centralized-command economy of the Soviet Union is sluggish and incapable of generating and diffusing advanced technology. It thus fails to meet the Soviet leadership's principal goals, viz., adequately to support Soviet military power, generate enough resources to satisfy consumer needs and set up a model of society for the third world to emulate.

When Mr. Gorbachev encountered bureaucratic resistance and political obstacles to perestroika, he resorted to glasnost as a means of shaking up the lethargic bureaucratic apparatus and of obtaining support for his policies outside the conventional power structure, especially among intellectuals. Democratization came next.

Although some aspects of glasnost have been at times referred to as democratization, it was expressed more concretely in such innovations as the introduction of multiple candidates in local elections and secret-ballot election of local Communist Party officials. Democratization, like glasnost, is a means for carrying out perestroika: it helps remove incompetence, entrenched interests and resistance from the lethargic administrative structure.

If one were to extrapolate from present policies, Mr. Gorbachev's hopes are that the restructuring will be successful. The economy, although considerably more decentralized and allowing more for individual initiative, will retain certain important command characteristics. It will not only meet current objectives of Soviet policy, but also be able to compete vigorously in the world market. Glasnost and democratization will remain a means, kept within prescribed limits.

### Teach 13-Year-Olds Lincoln Freed Slaves

To the Editor:

In an article about New York State revamping its social studies curriculum (Oct. 20), you quote an educator who asserts that "the Emancipation Proclamation didn't free anybody" and therefore feels it is wrong to teach eighth-graders that Abraham Lincoln freed the slaves.

This hoary myth deserves to be laid to rest. The Emancipation Proclamation of Jan. 1, 1863, did in fact apply only to areas then in rebellion against the United States and freed few slaves on the day it was issued. But as Union troops advanced into the South, the proclamation brought freedom to bondsmen in all conquered regions not specifically exempted from it.

In addition, in the winter of 1864-65, the Civil War President used his executive powers to secure passage in the House of Representatives for the 13th Amendment, putting a final end to slavery throughout the United States. Thus the man who wrote, "If slavery is not wrong, nothing is wrong," was truly the Great Emancipator, and we should indeed teach 13-year-olds that Lincoln freed the slaves.

HANS L. TREFOUSE  
Distinguished Professor of History  
Brooklyn College  
Brooklyn, Oct. 23, 1987

The West's hopes of change in the Soviet system are yet to crystallize, but they could be roughly described as follows: In his effort to invigorate the economy, Mr. Gorbachev will eventually abandon its command aspects completely and resort to a true market mechanism. The decentralization of the economy will lead to further pluralization. Glasnost and democratization will gradually move toward becoming values in their own right and start losing their function as means. The perception of a Soviet threat will recede.

The above scenario is optimistic. But in the longer run, it is conceivable to view change in the Soviet system as at least a partial substitute for huge military budgets. Soviet systemic change will have to be largely a product of its own internal dynamics, but a sophisticated and steadfast United States policy for systemic change in the Soviet Union could have a measure of influence. Then, to borrow from Flora Lewis, some 15 or 20 years from now we could perhaps say that "we helped arrange perestroika" — in the interest of Western security.

VICTOR BASILUK  
McLean, Va., Oct. 31, 1987  
The writer is a science, technology and national security policy consultant.

### Not a Departure

To the Editor:

"Stirring the Slumbering Soviet Masses" (editorial, Oct. 29), on the effects of Mikhail S. Gorbachev's new policies of perestroika and glasnost is right on the mark regarding the profound reorganization going on in the



Soviet Union. Soviet citizens and officials alike who support these policies say the reorganization is nothing short of revolutionary. It is in economics that the most significant changes are occurring.

### No Parliament Role in Peace Prize Choice

To the Editor:

In "Prizing Peace, and Promoting It" (editorial, Oct. 14), you say: "Doubtless the Nobel Committee of the Norwegian Parliament knew it was taking a chance in bestowing the prize on President Oscar Arias of Costa Rica. ... There remains the objection that the prize is premature or constitutes meddling by the Norwegian parliament. ... The reproach might have weight if the Norwegian parliament had tilted consistently eastward or leftward. That's not the case."

Norway is a small, faraway country, and its social and political traditions and practices are unknown or unclear to most. Even you have some learning to do.

The members of the Nobel Peace Prize committee are appointed by our Parliament — the Parliament's election committee presents its recommendations, followed by debate in plenary session. As unlikely and incredible as it may sound in Central America, in New York and perhaps in most other places, the Norwegian Parliament never tries to influence the decisions of the Nobel Peace Prize committee.

Humans are both alike and different, the differences being largely a result of culture, i.e., of traditions, so-

Whether Yegor K. Ligachev's differences with Mr. Gorbachev are real or merely alleged, the Politburo member is a staunch supporter of perestroika. Reforms in economic management, he has said, are bringing "democracy to the shop floor." Some business and industrial enterprises have already adopted procedures of self-management and independent decision making, and are operating with almost complete autonomy and accountability.

But the avowed broader aim is to transmit a new dimension of dynamism and democratization to all aspects of Soviet life, social and cultural, as well as economic and political. Thus, changes, some noted by Western reporters, others not yet, are taking place in literature, in film and in the theater, as well as in economics and politics.

However, it would not be accurate to see these changes, and the candid expression of faults and failures, as a repudiation of the socialist system. Mr. Ligachev positions the changes within the traditional Marxist-Leninist framework, in which socialism is evolving into communism. He sees the open self-criticism as a sign of strength, not disarray in the system.

Tatyana Zaslavskaya, as you point out, has been blunt and outspoken in her criticisms of existing practices and her advocacy of perestroika. She is president of the Soviet Sociological Association, and though she is primarily a sociologist, not an economist, her credentials for authority in economics are solid. She heads the department of social problems at the Institute of Economics and Industrial Production, which is part of the prestigious Siberian division of the Academy of Sciences. Both fields of expertise are united in her job as editor in chief of the journal Economics and Applied Sociology.

Her criticisms have been unremitting, but fall within a basic socialist context. Needed reforms, she has stated, must still "secure a guaranteed minimum of housing, education and medical services equal for all." Perestroika is seen as the means to reform the "thick layer of bureaucratization" that has kept Soviet citizens from democratic participation in Soviet society. She regards the restructuring process as a new, much-needed and progressive development in socialism, and not as a departure from it.

FREDA CASNER  
New Palis, N.Y., Oct. 31, 1987  
The writer, who teaches comparative United States-Soviet social structures at the State University of New York, has been a faculty exchange scholar at Moscow University.

### A Fairer Tax

To the Editor:

I wonder why, in the search for extra revenue to cut the deficit, no consideration seems to be given to a value added tax (VAT). This is generally thought to be the fairest tax of all because it falls on those most able to pay and spares the less fortunate.

Those who can afford luxuries, such as expensive furs, cars and boats, can stand the tariff; those who are restricted to the bare necessities remain untouched by it. This seems to me more equitable than taxing the Social Security income of the middle class.

MORTON FREUND  
New York, Oct. 31, 1987

### Forget Cholesterol and Explore Other Heart-Disease Theories

To the Editor:

I congratulate you for stating (Week in Review, Oct. 11) what most people do not understand: "There is no proof that dietary changes can actually reduce heart disease." After scores of articles suggesting a causal relationship between blood cholesterol levels and heart disease, you have properly included at least one sentence that states there is at best "an accumulation of indirect evidence."

What is most often cited as conclusive and direct evidence of a causal relationship is a National Institutes of Health study that is not only inconclusive, but is actually flawed. The N.I.H. statistics most often cited — alleging a 19 percent reduction in nonfatal heart attacks and death as a result of lowered cholesterol levels — are the product of statistical manipulation.

The N.I.H. study involved 1,906 men, 35 to 59 years old, with high blood-cholesterol levels, who took a cholesterol-lowering drug, Cholestyramine. They were compared with a similar group of 1,906 men with high cholesterol levels, who took no cholesterol-lowering drug. After seven years and a cost of \$150 million, there

were 187 nonfatal heart attacks and heart-related deaths in the placebo group, and 155 in the group receiving the cholesterol-lowering drug. Thus, the rates of heart-related disease and death in the two groups were 9.8 percent and 8.1 percent respectively, the difference being 1.7 percent between the two groups. By calculating the percent reduction in risk — not the actual reduction in risk — the investigators transformed a real 1.7 percent difference into an apparent 19 percent difference. This is a blatant abuse of statistical analysis.

Atherosclerosis, including coronary heart disease and myocardial infarction, occurs in the general public without causative relation to the level of cholesterol in the blood.

The heart disease epidemic is too serious to allow the quest for a real

answer to be stymied by closed-minded pursuit of the unproved cholesterol-heart disease hypothesis.

The time has come to change course and to place the cholesterol-heart disease hypothesis in a holding pattern while more promising alternative directions for atherosclerosis research — hemodynamic, molecular, cellular and hereditary — are explored. What the public needs is current information in these fields and more articles that clearly indicate that the alleged relationship between blood cholesterol levels and heart disease is by no means a proved scientific fact.

MEYER TEXON, M.D.  
New York, Oct. 23, 1987

The writer, associate professor of forensic medicine at New York University Medical Center, was president of the New York County Medical Society.



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ABROAD AT HOME | Anthony Lewis

## Playing With The Court

**BOSTON** The collapse of his second successive nomination to the Supreme Court tells us much about Ronald Reagan. It shows us the price we pay for having a President who in even his most solemn appointing function is driven by narrow interests of politics and ideology.

How could a President who talks about the need for law and order pick as a Supreme Court nominee someone who illegally used marijuana when he was a law professor? How could a President who has proclaimed the war against drug abuse fail to be informed of that easily discoverable fact about his nominee?

The questions are not hard to answer. President Reagan was interested in only one thing when he made his choice for the Court: stuffing a conservative down the throats of the Senators who had defeated Robert Bork. In the rush to revenge there was no time for care in scrutiny.

The partisan, ideological motivation was clear from the start in Mr. Reagan's nomination of Judge Douglas Ginsburg. The choice was urged on him by Attorney General Meese and other zealots. The White House Chief of Staff, Howard Baker, counseled selection of a conservative whose qualifications would assure easy confirmation. But the President did not want a Justice. He wanted a fight.

Judge Ginsburg is an intelligent, interesting man. But no one could seriously argue that he is among the lawyers best qualified to sit on the Supreme Court of the United States.

He has never written about the Court's principal modern concern, constitutional law. His experience as a judge and a Justice Department official is thin.

Mr. Reagan made the very act of announcing the choice an angry parti-

### Reagan wanted a fight, not a Justice.

san occasion. He fulminated against the Senate for its care in considering Judge Bork's nomination and suggested that the delay had somehow helped criminals.

"The empty seat on the Supreme Court has been a casualty in the fight for victims' rights in the war against crime," the President said. The statement ought to win the 1987 non-sequitur prize for the speechwriter who gave it to Mr. Reagan to read.

There followed a barrage of White House piffle. Frank J. Donatelli, Assistant to the President for Political and Intergovernmental Affairs, sent a letter to lawyers and others around the country urging support for Judge Ginsburg and for immediate Senate hearings.

"Judge Ginsburg shares the President's view about the importance of law enforcement," the letter said. "He does not believe that judges should constantly invent new road blocks for the police to overcome."

Then came the disclosure about Judge Ginsburg's use of marijuana, apparently as recently as 1979. President Reagan said it was just a youthful indiscretion. But Mr. Ginsburg was not a youth. He was a teacher of law.

There is a special peculiarity in Mr. Reagan seeming to excuse drug use when he and Mrs. Reagan are so identified with the war on drugs. But like most things he does, that war is just words. The Federal effort against serious drugs has been declining in effectiveness. Here as elsewhere the Reagan record is one of hypocrisy.

Millions of Americans have tried marijuana, and it would be preposterous to make that a general test of worthiness in our society. But there is no way of escaping the fact that having on the Supreme Court someone who had violated the drug laws as an adult would be embarrassing or worse.

Drug issues are a very important aspect of constitutional law right now. There are many proposals by government bodies and private companies to make employees take drug tests — proposals that are being fiercely resisted as illegal searches and invasions of privacy. A judge known to have used drugs in the past would always be in an awkward position deciding such cases.

The defeat of Judge Bork drove the radicals of the extreme right into a frenzy. They could not bear the true meaning of the defeat: that the country rejected their desire for a wizen Constitution and weakened judicial protection of individual rights. They pushed for a gesture of defiance, of war — and Ronald Reagan obliged.

Compare how another conservative President acted. Herbert Hoover had a seat to fill on the Supreme Court in

1932. He had suffered an earlier defeat. Now, for this vacancy, he chose a judge of luminous reputation: Benjamin N. Cardozo of New York. Hoover made the appointment although there were already two New Yorkers on the Court, and another Jew. He put the merits above politics. President Hoover, for all his troubles, respected the Supreme Court as an institution. President Reagan plays with it for his political ends.

ESSAY | William Safire

## Stay Out of My Head

**WASHINGTON** Two million times a year, American citizens are subjected to "lie-detector" tests. This explosion of the use of machines that measure nervousness (and that fail to catch the cool, practiced liar) is the most blatant intrusion into personal freedom in this country today.

Ninety-eight percent of these mental rapes are performed by employers, mostly in screening prospective

workers. The purpose is to frighten the applicant with the threat of being hooked up to some terrifying device and asked intimate questions. That's enough to scare off most people who have ever had drinking, drug, psychological or any other "problems."

No screening procedure could be more un-American than this advance exclusion-by-fear. Even when performed by F.B.I.-trained polygraph operators, "lie detection" is mistaken

too often to be accepted by most courts. The reason: when hooked up to intrusive machines, many of us sweat and tremble. That makes honest people seem like liars.

Although lawmen know the polygraph is not a device that measures truthfulness, they see it as more effective than a truncheon and hot lights to coerce a suspect into confessing. Employers use it the same way: to scare off applicants with any kind of guilty conscience. This modern third degree is an abuse in law enforcement, and an abomination when used by private corporations against people who have done nothing to warrant a search of their minds.

This week, the House finally passed a bill making it unlawful for any private employer "to require, request, suggest, or cause any employee or prospective employee to take or submit to any lie detector test."

Security-guard companies are excluded, and industry lobbyists used the narcotics scare to exempt companies engaged in the manufacture or sale of drugs. "We resisted all the others," says Representative Pat Williams of Montana. "The House has voted to rid us of nine out of 10 polygraph tests now being made."

But the House has passed similar legislation before, only to see it die in the Senate. The test now is in the Senate Labor Committee, chaired by Edward Kennedy, from whom we have heard so much recently about the right to privacy.

For too long, lawmakers have ducked responsibility on privacy rights by passing the buck to the Supreme Court. But we may be a decade from a decision using emanations to form a penumbra here, and in the meantime millions will be deprived of both rights and jobs. Why can't Congress act, as 22 states already have, to stop technocracy's merchants of sweat from plying their trade?

Senator Kennedy, new defender of the sanctity of the marital bedroom (though that area is not currently threatened), has long been programmed by his staff to proclaim his support of legislation defending the sanctity of the human mind.

But taking the lead requires courage. Plenty of ripped-off companies and a lobby of polygraph operators in Washington denounce such a law defending a job applicant's privacy as a "criminal's protection act." The Labor Committee chairman does not want to be out there by himself, or surrounded by Democrats. He has dithered for months, waiting for Republican Orrin Hatch to co-sponsor a

### Put an end to 'this dirty business.'

Senate version of an anti-polygraph bill.

"I'm a libertarian on this matter," Senator Hatch tells me. "The question is: Do we allow society to coerce the vast majority who are honest to get at the few who are dishonest?" So — is he for this law? "Nobody should lose his job, or be denied the opportunity of a job, exclusively as a result of polygraphy; you should have reasonable corroboration."

However, he worries that "the whole business community will come unglued" if the legislation is passed as written in the House. Orrin Hatch is torn: on one hand is the plea from businessmen who say they lose \$40 billion a year to employee theft, on the other is the example known to him of Senate staff aide Michael Pillsbury, wrongly stripped of his position by a botched polygraph exam.

When in doubt, revert to principle. If no reason exists to suspect a person of wrongdoing, he should not be made to fear a mental strip-search, least of all by a discredited device that libels too many truth-tellers and gets fooled by pathological liars and spies.

The battle for personal freedom is joined, here and now. The Senate should pass this privacy law; the new Secretary of Labor should enforce it vigorously throughout the world of commerce; and then we should deal with the proliferation of this medieval monstrosity within the Government.

## Feminists vs. Civil Libertarians

By Stephen Gillers

**K**aren Straw killed her husband, but in September a Queens jury acquitted her of murder after hearing defense evidence that she was a battered wife. Soon, a Manhattan jury is to begin to hear testimony in the trial of Robert Chambers for the murder of Jennifer Levin in Central Park. Mr. Chambers claims Ms. Levin's death was the accidental result of rough sex. What do Karen Straw and Robert Chambers have in common? Plenty.

Mr. Chambers will try to prove his story by introducing evidence that Ms. Levin was sexually aggressive with other men. Feminists, who rightly hailed the Straw acquittal, condemn such evidence as a tactic intended to focus the trial on the victim's supposed promiscuity instead of on the defendant's conduct. They would permit Karen Straw but not Robert Chambers to pin blame on someone else.

The Chambers case contains one of several recent issues on which civil libertarians and feminists have taken opposite sides. Although American feminism began as a traditional civil liberties quest for constitutional and legislative equality, it occasionally promotes goals at odds with entrenched civil liberties values and constitutional claims of other protected groups.

For example, an abortion clinic opens. Opponents picket it. No one is physically prevented from entering the clinic, but the picketers hold up pictures of fetuses and shout provocative statements as patients arrive. Does a woman's right to reproductive freedom mean the police can remove the picketers? Or do antiabortion groups have a right to discourage those who want to enter the clinic?

Or consider a magazine that prints sexually explicit pictures of women. The pictures are offensive but not obscene, according to the Supreme Court's definition of obscenity. Do opponents have a right to stop the magazine on the ground that the pictures de-

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Drawings by Frances Jetter

grade women as a group? Or does the magazine have a right to continue to publish regardless of whom it offends?

These are actual cases in which civil libertarians have defended the picketers and the magazine. Many feminists opposed both.

Splits in the civil liberties world have occurred before. Some supporters of the black civil rights movement grew disenchanted by its demands for affirmative action, which they considered reverse discrimination. And even ardent defenders of the First Amendment have balked at its use to protect the speech of Nazis, Communists and the Palestine Liberation Organization.

But the emerging conflict between feminist goals and civil liberties principles is different. Both feminism and civil liberties rest on elaborate theoretical foundations. If these prove significantly incompatible, the ensuing clash could well encompass numer-

ous critical questions, not merely the one or two discrete differences that have characterized past, often temporary, rifts.

In addition, the feminist and civil liberties communities share substantially overlapping populations. Their estrangement would weaken the political power and public positions of both and thwart the kind of cooperation that defeated Judge Robert H. Bork's Supreme Court nomination.

The first postulate of civil liberties is that they are indivisible. They must protect everybody or they will protect nobody. The antiabortion activist's right to speak, a magazine's right to publish offensive photographs and a defendant's right to tell his story at a trial cannot be compromised.

The indivisibility postulate has one exception. When two civil liberties clash, we must decide which will prevail. So, press freedom has been restricted to assure a fair trial, and the

prospect that affirmative action remedies will lead to greater equality has justified preferential treatment.

Feminists have also achieved victories by citing competing constitutional rights. Laws forbidding certain private clubs from excluding women impinge on the associational rights of men. Yet, courts have upheld these laws because they further the competing value of gender equality.

No such competing constitutional values are present for those who want to "penalize" or "suppress" offensive magazines, stop abortion clinic picketers or deny Mr. Chambers the right to tell his story.

If we compromise constitutional claims in these cases, we violate the indivisibility postulate. That violation will eventually backfire. If the picketers and the magazine can be silenced, so can their critics. And what's good enough for Robert Chambers will also be good enough for Karen Straw.

## Ebbets Field Lives On

By Austin Flint

**T**hough it has been a couple of weeks since the final out of the World Series, the inhuman roar of the Minnesota Twins' Decibelome still echoes in our ears. Visually, too, it was distressing to see the Series played on artificial turf. There were no familiar images and sounds to take into winter. As I watched, my thoughts drifted to the bright grass and true dirt of Ebbets Field, and a personal attempt to make it immortal.

Sitting in the stands one night, a friend and I didn't know that a few years later the Brooklyn Dodgers would move a continent away and the rickety stands and notorious Bedford Avenue wall would be razed for a housing development. But we certainly knew the game was special.

It was a one-hit shutout by Ralph Branca against the Cardinals. He had

Austin Flint teaches writing at Columbia University.

pitched perfect ball for seven innings, and I can still see Enos Slaughter's hard grounder skipping into right field to lead off the eighth. Branca settled down, and, when the game ended, Slaughter was the only Card to have reached base.

Sandy and I, high school students, headed toward the field-level exits. In those more trusting days, fans were allowed on the field after each game, and we always made our way down to the lower stands and out across the dirt and grass that bore the spike marks of Jackie, Peeewe and the rest.

We did our usual trot past second base and headed for the exit next to the 401-foot sign in dead center field. The lights were brilliant and awesome, the grass emerald and gleaming. We stopped, looked around at the crowd and without a word knelt and plunged our fingers into the sacred



turf. When we stood, we held a good-sized plug of earth topped by a couple of inches of the most beautiful grass we had ever seen. We slipped it into a paper bag and made our escape. We took that precious clump, put it lovingly in an earthenware pot and watered it every day.

(In 1973, when the New York Mets clinched the National League pennant and their fans tore acres of sod from Shea Stadium, I recalled the patch we had lifted from Ebbets Field. At the time, we didn't think of it as destruction; we wanted only to preserve it.)

As the grass thrived in a sunny corner of Sandy's room, growing stronger and taller, we speculated on whose spikes had actually brushed against it. It was a thrill just to run our fingers ever so gently through the soft blades. After a few weeks, though, we faced a crisis: The grass

had grown so long that it hung limply over the edge of the pot and its tips were going to seed. The horticulturists we consulted were of one opinion: The grass needed cutting.

But a theological problem arose: If we took clippers to it, and healthy new shoots sprang up, was it still Ebbets Field grass? Clearly, after two or three cuttings we could no longer claim that those very blades had been touched by our gods; it was also true that the yellowing tips had little in common with the emerald green we had uprooted. Lacking an Aquinas of baseball to provide authority, we debated for days, and before long the grass solved the problem: It died.

So the story of Ebbets Field should end with a new housing project, and with a pot of dead earth that has long since been tossed away. But science tells us that nothing really dies. And so on certain luminous nights I realize it is the roots that matter, and I know that somewhere, in a place I can barely imagine, the sprigs of a transplanted Ebbets Field are beginning to stir.

## The Looming Crisis With Bonn and Tokyo

By Jeffrey E. Garten

**A**s the panic on Wall Street fades, another crisis is brewing, this time between Washington, Bonn and Tokyo. It may be of more lasting significance than the financial debacle.

While last week's moves by West Germany and Japan to lower interest rates are welcome, more significant reductions will be necessary. As the Reagan Administration and Congress get closer to a compromise on the Federal budget, there could be major international conflict as America's strong-arms its allies to do more to avert a global recession.

Jeffrey E. Garten, a New York investment banker, was deputy director of the State Department policy planning staff from 1976 to 1978.

Moreover, the recent interest-rate cuts will not convince the markets, which have seen such accords break down before the ink dried.

Beyond the cosmetic quick fix, the prospects for effective cooperation do not look good. Since the late 1970's, in fact, global economic cooperation has been a miserable failure. From private shuttle diplomacy to summit meetings, mud-slinging contests to harmonious photo sessions, nothing much has happened, save some collaboration to guide the dollar.

For the last few years, America's agenda has been consistent: We'll cut our budget, the Administration would say, if West Germany and Japan agreed to take up the economic slack with new spending and tax cuts. Only, we never delivered and, not surprisingly, neither did they.

Assuming a budget agreement is reached, Washington will be screaming for the allies to ante up. If Bonn

and Tokyo don't oblige, they may precipitate a major crisis. This is no one's preferred outcome, but here is why it could happen anyway.

First, there is a strong feeling in Bonn and Tokyo that their policies have been right and ours wrong, and they don't want to pay for what they see as our chronic lack of discipline. In West Germany, there is the added neurosis about inflation; in Japan, a sense that the Government has already stretched itself to the limits to accommodate American demands.

Second, neither Government trusts Washington. They believe that its idea of cooperation is to mount a bait-out effort only when the United States is in trouble. They remember the Administration's arrogance about Reaganomics and its indifference to their pleas a few years ago, when American interest rates were high and the dollar was soaring.

Third, the current objectives of the three nations are incompatible. The

United States wants growth to offset the crash, and seems willing to accept some inflation in the process as well as a declining dollar. Bonn wants, above all, stable prices and is prepared to sacrifice growth. Both are willing to see the dollar slide. Tokyo wants low prices, growth and, with an eye on its exports to the United States, a stable dollar-yen relationship. Something has to give.

Fourth, and most important, it may be that the rules of the game have changed. Americans have in their minds that West Germany and Japan are partners but, for historical reasons, we expect them to be compliant partners. Now that era may be over.

Nothing symbolizes the new realities more than our escalating debt and our plummeting currency. Once, not so long ago, we financed the free world; now we are rattling a tin cup. Once the dollar was the symbol and means of power and influence; now prominent Americans are prescrib-

ing ever lower levels for the dollar.

West Germany, moreover, is so tightly tied to Europe that it may feel that reduced links to the United States are acceptable. Japan always acts politely, but it is in a position to wield the big stick like the powerful creditor that it is.

There has been over the last 30 years a not-so-implicit deal. America has borne the defense burden. In return, the allies would support our economic goals in an open world economy. That deal could be unraveling now. It's not that Europe and Japan do not want military protection. But neither seems inclined to hold up their ends of the bargain now, and both doubt that the United States will pull part of the defense rug out from under them.

That's where they could be wrong. The major issue facing the next Administration is not whether to share financial, trade and security burdens more evenly with the allies, but how

to do it — fast. The fiscal and trade pressures on America will leave no choice.

If Bonn and Tokyo fail to make lasting and significant accommodations, the political backlash here could be fierce. Farmers, exporters of manufactured goods and labor unions will have a new whipping boy for their trade problems. This time they will be joined by Wall Street and Main Street, both dreading an economic downturn.

In the end, there is little that Washington can do if Bonn and Tokyo stonewall — at least little that won't hurt us, too. But we should not assume that rationality will triumph over emotion. So far, one lesson about the 1930's — the one about providing adequate liquidity after a crash — seems to have been learned. But what about the lesson of what happens when there is no one, strong leadership and international cooperation breaks down?



# Can Steve Jobs Do It Again?

By ANDREW POLLACK

**G**liding across the stage, a huge screen behind him, Steven P. Jobs has his audience mesmerized. He is expounding on his vision of computerized education. In the future, Mr. Jobs says, sophisticated computer simulations will allow students to walk through Athens with Plato, experience life in 17th-century France or perform biochemistry experiments normally requiring a \$5 million laboratory.

After the speech, the audience of community college educators surges toward the podium. One woman, desperate to have Mr. Jobs visit her computer laboratory but lacking a business card, whips off her conference name badge and hands it to him. Another thrusts the conference program at him and asks, "May I have your autograph?"

Steve Jobs is on a quest again. Two years after being forced out of Apple Computer, the company he co-founded as a scruffy 21-year-old, he is preparing for his comeback. In a few months, Next Inc., the company Mr. Jobs started with five devotees after leaving Apple, will introduce its first product, a high-powered computer for the college market.

Industry sources expect the machine to be introduced in February or March and to be shipped by the summer, in time for the 1988-89 academic year. Prototypes have been completed, they say, and are being shown to a select group in universities and in the computer industry.

Few people, however, think Mr. Jobs, who is 32 and now tends toward European suits instead of blue jeans, is interested in selling only to educational institutions. His speeches have been sprinkled with references to the coming "fourth wave" in personal computers — the machine that will follow the Apple II, I.B.M. PC and Macintosh. He leaves little doubt as to whose machine he thinks that will be.

Next's new machine is already the object of intense speculation in the industry — in part, because of what it is said to be its dazzling sound and graphics capability. Even its color — black — will set it apart. "It'll make your jaw drop," Mr. Jobs promised. But much of the attention comes from a public fascination with the man behind the computer. Next's success or failure could do much to enhance or destroy Mr. Jobs's reputation as a personal computer visionary. The new product may also test his ability to run a company, something he never really did at Apple.

His reputation on that front is already under siege, in part because of two recent books that discuss in some detail his years at Apple. "Accidental Millionaire," by Lee Butcher, contends that Mr. Jobs was lucky, not talented. "Odyssey," by John Sculley, Apple's chairman and chief executive, is more charitable — it credits Mr. Jobs with being charismatic and "ahead of his time." But both books paint a picture of a man who almost destroyed Apple by ignoring the opinions of others, berating employees and insinuating himself into every decision. Mr. Jobs has said he has not read the books, proclaiming: "I'd rather shape the future than regurgitate the past."

Shaping the future will be difficult, though. Few entrepreneurs who make it big are able to strike gold again.

The product idea Mr. Jobs has chosen is a tough one. Over the past few years, the education market has become highly competitive, with giants like I.B.M., Digital Equipment, Apple and Sun Microsystems making strong efforts. "Steve is not first this time," said Scott McNeely, president of Sun Microsystems.

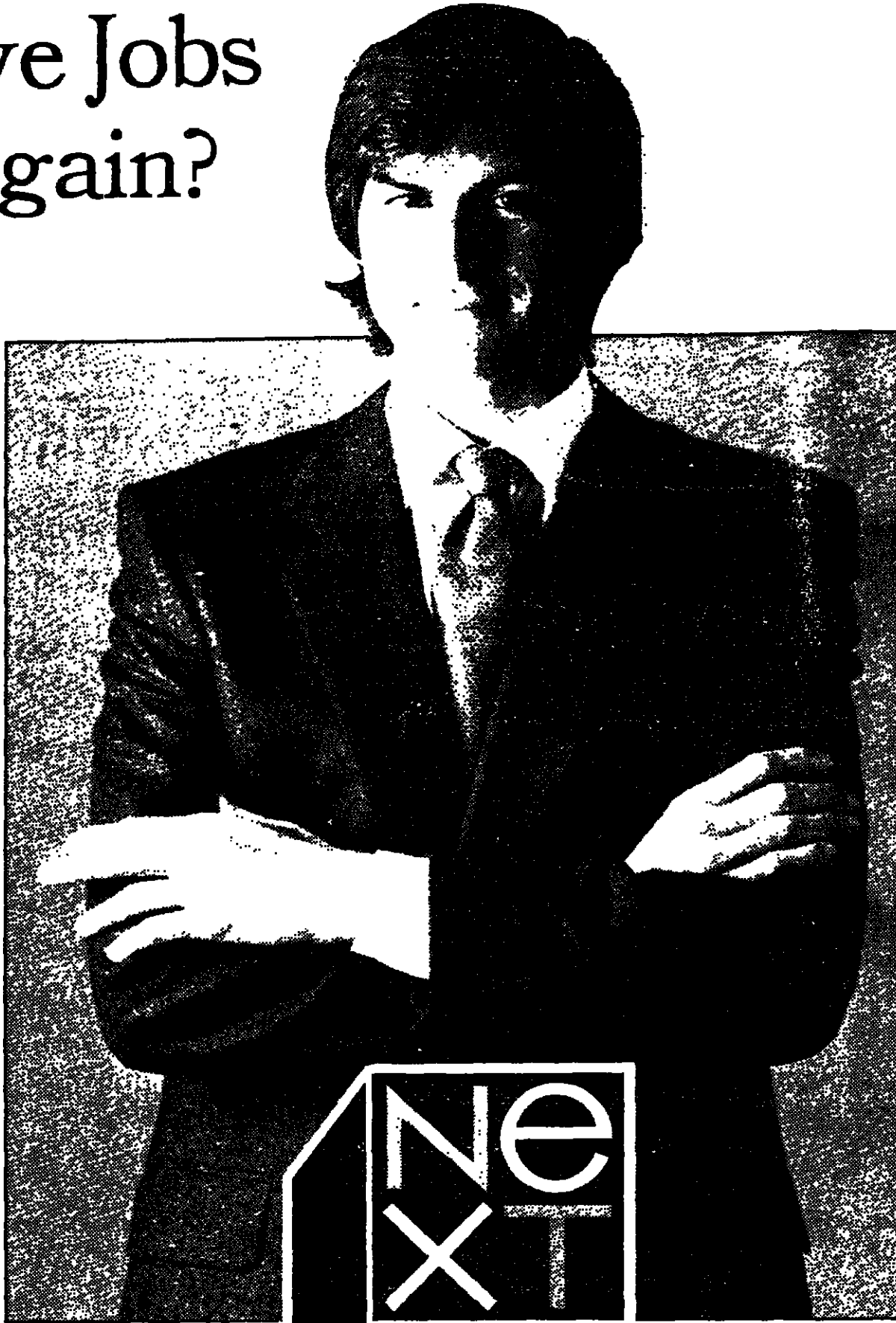
With the exception of a few speeches, Mr. Jobs has said little about what his new company will do, and he declined to be interviewed for this article. The policy is deliberate — mystery helps generate interest.

What he has said is that Next wants to build a powerful computer to be used in university instruction. It will have the power of an engineering workstation, which generally costs more than \$5,000, for a price closer to that of a personal computer — \$3,000 to \$4,500. The machine will come with software tools to allow professors to create what Mr. Jobs calls "simulated learning environments."

"People learn best by being in a learning environment, which means that ideally, you'd offer a physics student a personal linear accelerator, or a ride on a train going the speed of light," Mr. Jobs said in a 1986 speech. "You'd take a biochemistry student and let him experiment in a \$5 million DNA wetlab. You'd send a student of 17th century history back to the time of Louis XIV."

"Next year," he concluded in the same speech, "we will introduce a breakthrough computer to run simulated learning environments, a computer 10 to 20 times more powerful than what we have today."

Unfortunately for Next, the machine is late, prompting the joke around Silicon Valley that "Next" will be renamed "Eventually."



Steven P. Jobs, Apple's founder, with the logo of his new company, Next Inc.

As time slips by, the gap that Next is hoping to fill is closing — as the markets for engineering workstations and personal computers converge at a breathtaking pace. Workstations by Digital Equipment and Sun already cost less than \$4,000 and Sun is working on another, even cheaper, machine aimed primarily at the education market. Meanwhile, personal computers like the Macintosh II and I.B.M. PS/2 are gaining the power of workstations. "The window is closing," one competitor said.

The operating software seems to be Next's big problem. Programmers working on word processing have been shifted to the main operating system to help get it ready.

But people at Next think the corner has been turned, and spirit is high. "We've had some sophisticated people see the hardware — it blew them away," said H. Ross Perot, the Texas billionaire who is a financial backer and director of the company. Now, he says, all that remains is to perfect the machine. "Steve and his whole Next team are the darndest bunch of perfectionists I've ever seen," he said.

Apparently, there is quite a lot of perfecting to do. Recently, when Aldus Corporation executives showed up for a demonstration, they were told the machine wasn't working. And some people familiar with the machine say that while the computer is impressive, it might not be impressive enough to overcome the competition. "The question is, can this be an order-of-magnitude better?" said one industry executive. "He's got one shot, and the market is predisposed to say, 'So what?'"

Mr. Jobs, with much to prove after his ouster from Apple, needs this one shot to be his best. The loss of his position as head of the Macintosh division at Apple was crushing to him. "Imagine yourself being compared to Henry Ford," said Michael Murray, a former Macintosh marketing manager and friend of Mr. Jobs. "And all of a sudden it goes away. You have to ask yourself, 'Was it really me who did all that or was I just a passenger on the bus?'"

After he left the Macintosh division, Mr. Jobs needed to find something new that would allow him to feel he was making a difference in the world. He even called in a big-time political consultant to discuss the possibility of running for Alan Cranston's seat in the Senate.

His answer finally came at a lunch with Paul Berg, the Nobel Prize-winning biochemist at Stanford University. The two men got to talking about the need for powerful new machines to run educational simulations. The result: Mr. Jobs, who has said he was proudest of Apple's contributions to education, resigned from his remaining position as chairman of the board, and started Next. (He also bought a majority interest in Pixar, a Lucas-Film Ltd. spinoff that makes computer graphics equipment.)

Apple was furious when it found out that the product Next hoped to build was similar to one in Apple's future, and sued for theft of trade secrets. The resulting settlement places some restrictions on Next's computer.

Apple also gets a chance to inspect the machine before it goes to market. Next is different from many startups. To start Apple, Mr. Jobs and Stephen Wozniak, the electronics hobbyist who co-founded the company, sold a van and a scientific calculator to raise \$1,500. To start Next, Mr. Jobs sold his Apple stock and kicked in \$7 million.

Financial help came from an unexpected source — Mr. Perot, who who founded Electronic Data Systems and sold it to General Motors, saw a profile of Mr. Jobs on television and kicked in \$20 million for 16 percent of the company and a seat on the board. Stanford University and Carnegie Mellon also invested \$1.3 million for a 1 percent combined share.

While many startups worry first about developing a product, one of the first things Next did was to pay about \$100,000 to graphics designer Paul Rand to design a logo — a child's building block with the letters N, E, X and T in different colors. While Apple started in a garage, Next early on moved to well-appointed offices in Palo Alto. One of its first 10 employees was an interior designer. More than a year ago, Next talked to architects about designing distinctive sales offices in major cities.

All this might suggest extravagance. But to Mr. Jobs, such details are all important and not really that expensive. He believes, for example, that it was the little things, such as the crispness of the display, that made the Macintosh an excellent machine. "The whole idea of Steve is that he wants total excellence. In every detail, you can tell that," said Joanna Hoffman, who has worked for Mr. Jobs at Apple and Next.

In more important matters, Mr. Jobs can be a notorious skintight. Knowing he has to sell a powerful machine at a low price, he has become expert at cajoling, convincing or otherwise obtaining favorable deals.

People still flock to work for Mr. Jobs, drawn by the feeling that they can make a difference in the world. Some hope as well to get rich. Mr. Jobs, some say, is like the charismatic leader of a cult, or at least of a fraternity — a master at motivating people. "He believes what he is saying, and he believes it so fervently that you want to believe it," said Mr. Murray, the former Macintosh marketing manager.

He can also be intimidating, temperamental and demanding. "He's very impatient with people he views as stupid," said one associate. "And there's no gray area with Steve. You're either bright or you're not."

With all this, only a few people have left Next. But many of the people Mr. Jobs tried to hire from the Macintosh group have not signed on. Still, some people close to the company say that both Steve and his fol-

lowers have mellowed. The people in their twenties who gladly worked 90 hours a week in the Macintosh group are now in their thirties, with families and children. Mr. Jobs no longer believes he alone knows what the customer wants — an attitude he was said to have had at Apple. Indeed, within a week of forming Next, Mr. Jobs and his team headed off to ask universities what they wanted in a new computer.

Next faces a number of challenges in the coming year. Many of its competitors can afford to give computers away to colleges, for example. Still, the education market is full of opportunities. Universities like to push the frontiers of technology and will buy a new, snazzy machine even if it is not backed by a huge marketing effort. They will also do much of the support of the machine themselves, working out bugs and even writing software.

Next hopes to capitalize on this by selling direct, perhaps to university book stores. By bypassing retail markups, and by relying on the universities for support, the company plans to sell its machines cheaply but profitably. It is expected to start with the most prestigious universities and rely largely on personal relationships to sell, keeping advertising to a minimum. Sales and marketing are headed by Dan Lewin, who headed Apple's higher education marketing efforts and helped make Apple's Macintosh successful on campus.

Even at \$3,000, though, the computer might be out of the price range of most students. So at first, Next will probably sell its computers to the universities, which will place the computers in clusters on campus.

Next also needs programs to run on its machine. "The barriers that Steve and his company will have to contend with have to do with software and getting applications to run on his machine," said Douglas Van Houweling, vice provost for information technology at the University of Michigan.

One problem is that Next is reluctant to give out prototypes of its machines to software developers, because it would then have to show its computer to Apple, under the two companies' legal agreement.

A key question is whether the new machine will conform to standards. Educators are strongly pushing for this throughout the computer industry — ideally, they want to run any software on any machine.

Under Mr. Jobs, Apple Computer always came out with proprietary computers — the Macintosh can run only Macintosh software, and Macintosh software cannot run on other machines. At Next, however, Mr. Jobs is expected to make some concessions for the university market, to make it possible for Next's "courseware" to run on other machines using the Unix operating system.

But Mr. Jobs is not expected to introduce machines that can run existing I.B.M. or Macintosh software. "If they are truly revolutionary," he said in his community college speech two weeks ago, "they don't run software that already exists."

# The Economy

WEEK IN BUSINESS

## Shoppers Shrug Off Market Turmoil

Consumers don't seem too worried about the general state of the economy, to judge from the first indicators of their sentiments since the stock market collapse. Polls produced mixed, somewhat puzzling responses, but none of them seemed to portend a widespread movement to swear off spending. A similar reading emerged from the sales indicators. Auto sales came in with a surprising 10.8 percent gain for the last 10 days of October. Car buying was under close scrutiny for signs that customers would avoid big purchases after the market's tumble on Oct. 19. The more cautious analysts, however, said that many of the purchases were probably in the weeks before the big Wall Street selloff. On the other hand, sales at the big retailers also held up in October, even after the 19th. The figures were not generally robust, but that continues a months-long anemic trend: Gains ranged from 1 percent at Sears to 40 percent at Wal-Mart.

Interest rates were cut in several countries, but the reduction in West Germany got the most notice. While insisting that "we are not neurotic on inflation," the Finance Minister, Karl Otto Pöhl, had indicated early in the week that Bonn would continue to resist calls to stimulate its economy. He said that currency stability was certainly desirable but could not be an overriding concern. For their part, American officials indicated that currency stability was of less importance to them than averting a recession. All that made for some very unstable currencies. The dollar fell to postwar lows against the yen and mark. It failed to rally even when Germany relented and lowered a key rate to 3.5 percent, from 3.8 percent. The prime rate in the United States was cut to 8 1/4 percent, from 9 percent. Rates were also cut in Britain and Switzerland.

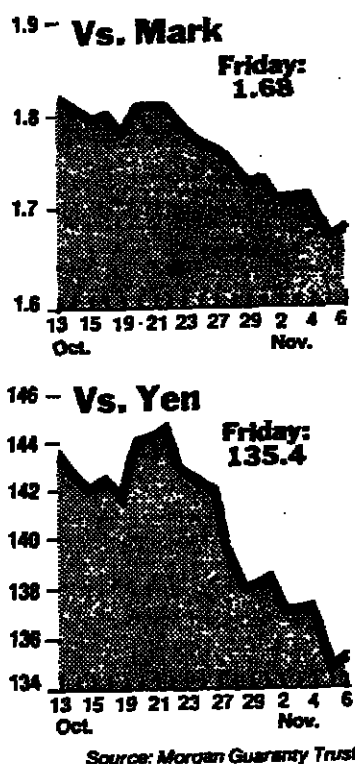
Stocks steadied in a market that seemed eager, for normally after October's turmoil. Program trading was allowed to resume, with some restrictions, and the exchanges were gradually lengthening the trading day. The biggest scare came on Tuesday when the Dow Jones industrial average showed a 115-point loss in early afternoon but trimmed that to a 50-point deficit at the close. The Dow had begun the day above 2,000 and profit taking got much of the blame for the selling. The best day was Thursday when a cut in the prime rate gave the Dow a 40-point lift. For the week the Dow lost 34.48, closing at 1,959.05.

Long-bond yields fell below 9 percent as the credit markets continued to benefit from signs that the stock market scare was producing an easier monetary policy. Gold prices hung near \$460 an ounce after a sizable drop in midweek.

Texaco lost again in a Texas court. The state's Supreme Court refused to hear an appeal of a Houston jury's verdict that Texaco must pay \$10.53 billion to Pennzoil in a dispute over Texaco's acquisition of Getty Oil. Texaco said it would take its plea to the United States Supreme Court. Even there a hearing is not assured, in the opinion of legal scholars, who

### Dollar's Course

Exchange rate of the dollar, at noon spot price.



said Texaco would have to convince the Court that an issue of Federal law was involved. Some investors favored Pennzoil. Its shares jumped more than 19 percent in the first day of trading after the Texas decision.

Brazil reached a debt accord with a committee representing its creditor banks. Brazil has not made interest payments since February on \$67 billion owed to foreign banks. American regulators were believed to be on the verge of forcing American banks to take partial write-downs on their Brazilian loans. The accord called for Brazil to furnish \$1.5 billion in the banks to provide \$3 billion of short-term financing, some of which would be used to pay overdue interest. The banks themselves must approve the deal.

Santa Fe Southern Pacific is popular with suitors. Henley Group offered \$63 a share in cash and securities. The next day, Olympia & York, the Canadian real estate developer, said it might pay that much, all in cash, or even more. Santa Fe is involved in railroads and energy but its biggest attraction is \$6 billion or so worth of real estate. At \$63 a share, the price works out to \$9.8 billion, which would be the biggest takeover ever outside the oil industry.

A Hong Kong investor was identified as the customer who was largely responsible for the \$22 million loss that the Charles Schwab brokerage suffered in the market plunge. Court papers indicated that Teh Hui Wang, who runs a property and construction company, owed the broker \$84 million on missed margin calls and had made a \$67 million settlement.

A 23-year-old trainee accountant who earned about \$11,000 a year is large British investment firm, for more than \$1.2 million that he lost trading options for himself.

### The New York Stock Exchange

| MOST ACTIVE STOCKS<br>WEEK ENDED NOVEMBER 6, 1987<br>(Consolidated) |            |         |         |  |
|---|------------|---------|---------|--|
| Company   | Sales      | Last    | Net Chg |  |
| Phil Int  | 46,842,600 | 32      | + 1/2   |  |
| Phila El  | 36,234,500 | 19 1/2  | + 1/2   |  |
| A El Pw   | 30,090,000 | 26 1/2  | + 1/2   |  |
| U Carb  | 13,570,400 | 21 1/2  | + 1/2   |  |
| AT&T  | 11,427,500 | 29 1/2  | + 1/2   |  |
| Gen So W  | 10,923,400 | 31 1/2  | + 1/2   |  |
| Gen El  | 10,849,700 | 46 1/2  | + 1/2   |  |
| Bt Pl Pp  | 9,153,400  | 16 1/2  | + 1/2   |  |
| IBM   | 9,136,000  | 119 1/2 | + 1/2   |  |
| E Kodk  | 8,951,200  | 51      | + 1/2   |  |
| Exxon   | 8,710,300  | 41 1/2  | + 1/2   |  |
| P Sv NM   | 8,212,000  | 22 1/2  | + 1/2   |  |
| USX   | 7,888,100  | 28 1/2  | + 1/2   |  |
| G Mot   | 7,737,500  | 58 1/2  | + 1/2   |  |
| A Exp   | 7,124,505  | 25      | + 1/2   |  |

| Standard & Poor's |       |       |         |  |
|-------------------|-------|-------|---------|--|
| Company           | Sales | Last  | Net Chg |  |
| 400 Indus         | 293.8 | 276.8 | -2.92   |  |
| 20 Transp         | 200.1 | 188.8 | -11.31  |  |
| 40 Util           | 111.4 | 106.4 | -5.03   |  |
| 40 Financial      | 24.3  | 22.9  | -1.40   |  |
| 500 Stocks        | 257.2 | 242.7 | -14.50  |  |

| Dow Jones |       |       |         |  |
|-----------|-------|-------|---------|--|
| Company   | Sales | Last  | Net Chg |  |
| 30 Indus  | 202.5 | 189.7 | -12.80  |  |
| 20 Transp | 79.5  | 74.0  | -5.50   |  |
| 15 Util   | 191.2 | 181.3 | -9.90   |  |
| 65 Comb   | 753.8 | 707.5 | -46.30  |  |

### The American Stock Exchange

| MOST ACTIVE STOCKS<br>WEEK ENDED NOV. 6, 1987<br>(Consolidated) |           |        |         |  |
|---|-----------|--------|---------|--|
| Company   | Sales     | Last   | Net Chg |  |
| Andahl  | 2,467,200 | 30 1/2 | + 1/2   |  |
| Wang  | 2,375,300 | 12     | + 1/2   |  |
| TexAir  | 2,090,400 | 13 1/2 | + 1/2   |  |
| BAT   | 1,988,000 | 7 1/2  | + 1/2   |  |
| EchS  | 1,758,200 | 17 1/2 | + 1/2   |  |
| LoxTel  | 1,639,800 | 9      | + 1/2   |  |
| Teleph  | 1,128,700 | 3 1/2  | + 1/2   |  |
| NY Time   | 1,081,000 | 29 1/2 | + 1/2   |  |
| FAsPr   | 917,600   | 7 1/2  | + 1/2   |  |
| HmeSh   | 853,300   | 6 1/2  | + 1/2   |  |

| MARKET DIARY |       |            |  |  |
|--------------|-------|------------|--|--|
|              | Week  | Prev. Week |  |  |
| Advances     | 1,149 | 893        |  |  |
| Declines     | 873   | 1,129      |  |  |
| Total Issues | 2,193 | 2,190      |  |  |
| New Highs    | 4     | 3          |  |  |
| New Lows     | 136   | 794        |  |  |

| VOLUME                  |               |                |  |  |
|-------------------------|---------------|----------------|--|--|
| (4 P.M. New York Close) | Last Week     | Year To Date   |  |  |
| Total Sales             | 1,060,817,870 | 41,344,498,828 |  |  |
| Same Per. 1986          | 792,213,746   | 30,270,474,830 |  |  |

| WEEK'S MARKET AVERAGES  |       |       |             |       |
|-------------------------|-------|-------|-------------|-------|
|                         | High  | Low   | Last Change |       |
| New York Stock Exchange | 170.7 | 163.0 | 166.5       | -1.66 |
| Transp                  | 124.5 | 120.3 | 120.48      | +0.22 |
| Util                    | 72.1  | 69.7  | 71.3        | +0.48 |
| Finance                 | 123.5 | 119.2 | 121.8       | +0.92 |
| Composite               | 143.1 | 137.1 | 140.0       | -0.76 |

| MARKET DIARY |       |            |  |  |
|--------------|-------|------------|--|--|
|              | Week  | Prev. Week |  |  |
| Advances     | 431   | 308        |  |  |
| Declines     | 422   | 625        |  |  |
| Unchanged    | 125   | 107        |  |  |
| Total Issues | 1,038 | 1,040      |  |  |
| New Highs    | 1     | 3          |  |  |
| New Lows     | 77    | 487        |  |  |

| VOLUME                  |            |               |  |  |
|-------------------------|------------|---------------|--|--|
| (4 P.M. New York Close) | Last Week  | Year To Date  |  |  |
| Total Sales             | 58,476,095 | 3,043,774,835 |  |  |
| Same Per. 1986          | 53,165,730 | 2,562,002,824 |  |  |

هكذا من الأشمل



# Can Gorbachev succeed, where the Bolshevik revolution failed?

Mikhail Agursky

THE BOLSHEVIK revolution of November 7, 1917, cannot be discussed in purely Marxist terms; the revolution which triumphed 70 years ago had other dimensions, of which the Marxist was not the main one. A major - if not the major - objective of the Bolsheviks was to re-educate the Russian people and to make Russia as modern and dynamic as the most advanced European nation.

Russians and non-Russians alike have claimed that the Russian national character was formed under the very strong influence of the immense size of the country. A contemporary Soviet writer, Olga Kozhukhova, wrote:

"Our vast space is reflected in human consciousness by something more than an image of kilometres... Even our sky is not the same as the sky over Europe. Distilled essences of our greatness, of our being, of our infinity, of our irrevocability, float there. The strength of the human soul and strength of character manifest themselves precisely in overcoming this sense of loneliness in space."

However, the 20th century's great Russian writer, Maxim Gorky, held different views. He wrote in 1922:

"The boundless, flat country, in which straw-thatched, wooden hamlets huddle closely together, has a poisonous quality which devastates a man, and empties him of desire. When a peasant goes beyond the limits of his hamlet and looks at the emptiness around him, after a time he feels that this emptiness has filled his heart."

"Nowhere are there stable traces of labour and creative work to be seen... Around is a limitless plain, in its centre an insignificant little man, cast up on this boring earth for hard labour. Man is overcome by indifference, which kills his ability to think, to remember what he has seen, to generate his own ideas from his experience."

In 1916, the Russian religious philosopher Nikolai Berdyaev said that the Russian people had been gifted with space but had exhausted the major part of its national energy in a futile effort to organize it. Space had imbued the Russian with laziness, carelessness, lack of initiative, and a weak sense of responsibility. The Russian peasantry, the majority of the population, was the main victim. The village was organized as a primitive institution in a primitive culture equally remote from the ideas of socialism or of the bourgeoisie.

There were other explanations for the Russian character. Gorky also had a racial interpretation, claiming that the Russians have two souls: Occidental and Oriental. The Occidental is Russian, or rather Slavic, and the Oriental is the Mongol strain introduced through the Tartar-Mongol invasion in the 12th and 13th centuries. Gorky claimed that this Oriental blood spoils Russians by making them passive.

A leading English journalist in Russia before the revolution, the *Daily Telegraph* correspondent Emil Dillon, said:

"The Northern Slav is an amalgam of contradictions: he can put forth stupendous efforts for a short while, but is incapable of sustaining a moderate endeavour perseveringly until the object is achieved."

This was also Lenin's view. In 1920, he commented:

"The worst feature in the Russian character... expresses itself in enervation and flabbiness. It is important not only to begin, but to carry on and hold out; that is what we Russians are not good at."

The Bolsheviks saw the social revolution as first and foremost a cultural revolution. Their passionate desire to raise Russia to the most advanced European level was inspired by the mid-19th century radical writer, Nikolai Chernyshevsky, and was expressed in their criticism of their own nation. Their plan was to modernize Russians by force, through a cultural revolution imposed from above.

RUSSIAN CONSERVATIVES often accused Lenin of "anti-patriotism." But Lenin only rejected the Russians as they were at that time: in 1915, refuting such accusations, he said:

"We are full of a sense of national pride, and for that very reason we particularly hate our slavish past and our slavish present... Nobody is to be blamed for being born a slave, but a slave who not only acquiesces but glorifies his slavery... is a lickspittle and a boor, who arouses a legitimate feeling of indignation, contempt, and loathing... And, full of a sense of national pride, we Great Russian workers want, come what may, a free and independent, a democratic, republican and proud Great Russia."

(Here Lenin did not differ greatly from the early Zionists, who appealed to Jews to build a new society in which negative Jewish social features would be overcome by productive work in their own country.)

Lenin constantly accused the Russians of "Obolomovism," a term taken from Goncharov's famous novel *Obolomov*. Gifted and kind-hearted as he is, Obolomov is a passive, idle dreamer, whom Goncharov sets off against the very successful half-German, Andrei Stolz. In 1922 Lenin said:

"There was a character who typified Russian life - Obolomov. He was always loitering in his bed and mentally drawing up schemes. That was a long time ago. Russia has experienced three revolutions, but the Obolomovs have survived, for there were Obolomovs not only among the landowners, but also among the peasants; not only among the intellectuals, and not only among the workers and Communists."

"It is enough to watch us at our meetings, at our work on commissions, to be able to say that old Obolomov still lives; and it will be necessary to give him a good washing and cleaning, a good rubbing and scouring to make a man of him."

For Lenin, the remaking of the Russian national character was a main objective of the revolution. In 1918 he said:

"The Russian is a bad worker compared with people in advanced countries. It could not be otherwise under the tsarist regime and in view

of the persistence of the hangover from serfdom. The task that the Soviet government must set the people in all its scope is - learn to work."

THE BOLSHEVIK revolution probably destroyed the best part of the Russian creative intelligentsia (not to mention capitalists), including scientists and engineers, some of whom escaped to the West. Those who remained in Russia were incorporated into a new revolutionary elite, which came mostly from the urban population, with only a small proportion from the rural sector.

An important element in this elite was non-Russians, especially Jews, replacing the Germans who had been so prominent in Russian society since Peter the Great's "revolution from above" in the 18th century.

The new elite was responsible for all the original economic successes of Soviet society. Bertrand Russell, who visited Russia in 1920, said that if the camouflage were removed, the Bolsheviks would be revealed as authentic successors to Peter the Great in their attempts to introduce American efficiency to the lazy and undisciplined population.

On the 10th anniversary of the revolution, Gorky wrote in *Pravda*: "My joy and my pride is the new Russian, the builder of the new state."

Even Dillon saw great changes when he visited the USSR for the first time in 1929.

"Everywhere people are thinking, working, combining, making scientific discoveries and industrial inventions. If one could obtain a bird's-eye view of the numerous activities of the citizens of the Soviet Republics one would hardly trust the evidence of one's senses. Nothing like it; nothing approaching it in variety, intensity, tenacity of purpose has ever yet been witnessed. Revolutionary endeavour is melting colossal obstacles and fusing heterogeneous elements into one great people; not indeed a nation in the Old World meaning, but a strong people cemented by quasi-religious enthusiasm."

HOWEVER, whatever successes the Bolsheviks achieved in modernizing the country were eroded under Stalin. During his endeavour to establish personal rule he encountered the resistance of the now aging revolutionary elite and decided to destroy it.

In January 1936, Nikolai Bukharin, one of Stalin's main opponents and a former party leader, who was still editor-in-chief of *Izvestia*, published an article praising the Soviet people in the Russian radical tradition. He said that the Bolsheviks were needed to make "a shock brigade of the world proletariat out of an amorphous, ignorant mass in the country where 'Obolomovism' was the most universal feature of the character, and where the nation of Obolomovs ruled."

Soon, Bukharin was strongly reprimanded by *Pravda*, which categorically denied that the Russians were a nation of Obolomovs - although Bukharin was merely repeating what Lenin had said earlier.

"The party," said *Pravda*, "has always opposed any manifestation of the anti-Leninist ideology which tries to paint our country's history in deepest black."

DURING THE great purges of 1936-38, many millions of the most active part of the Soviet population were killed, among them those who had performed miracles in establishing industry. The country suffered a blow from which it has not yet recovered.

Since then, "negative selection" has doomed anyone who is too dynamic and too independent. The dizzy careers begun in 1938 by former young peasants were not the result of natural social dynamics, but the outcome of the bureaucratic procedure of cadre selection, where the main criteria were reliability and obedience.

Inherently alienated from modernization or Europeanization, the Brezhnev, Suslov, Chernenko, Tikhonov, Epshvets, came to power and ruled the country until recently. This new ethnic type was one of the types of Russian peasant described by Chekhov, Bunin, Gorky, as human monsters.

Certainly, not all Russian peasants were suitable for Stalin. As an emigrant Russian scientist has said, Stalin selected both for subjugation and for preference, not economic classes, but appropriate human types. To Russia's shame, the generation of cultural primitives who came to power in 1938 left the historical scene only biologically.

It was the greatest paradox of Soviet history that the country which needed modernity, which claimed world leadership, was ruled by primitives whose conservatism blocked initiative. They did not understand that the free circulation of economic, technological, scientific and even

political information is essential for a dynamic economy.

Soviet society could not master the pace of technological progress; moreover, the primitivism of the leadership was reflected in their emphasis on the Soviet military industry, which in turn reflected their foreign policy ambitions and their projection of power.

BUT THERE WAS another dimension. The Russian people, blue- and white-collar workers alike, could not endure the tension, the terror, the compulsion, and very many of them lapsed into alcoholism, criminality, apathy, and the degradation of family life.

In 1983, the Soviet economist Tatiana Zaslavskaya said in her "Novosibirsk Paper," which received world-wide publicity, that almost all the current generation of the Soviet working class was not suited to the demands of modern economics and technology. She claimed that the present system was creating the wrong type of worker for the modern age: people who were lazy, dishonest, lacking in initiative and unwilling to take responsibility.

More alarming are the insistent efforts of Russian conservative intellectuals to rehabilitate the features so hated by Russian radicals, including Lenin. And the most important manifestation of these efforts is the rehabilitation of Obolomov, as an almost ideal Russian character whose passivity is now interpreted as a protest against capitalism and Westernism.

At the beginning of the 1950s, a leading Russian writer, Leonid Leonov, who is still alive, accused leftism of not allowing the Russian people to enjoy a quiet life. In his novel, *The Russian Forest*, he wrote: "There's a good deal of baited demagoguery in leftism, especially in that idea... about retarding the process of crystallization in the molten torrent of the revolution, whose business is to flow and burn - remember?... You can't build a cottage or gather a harvest on flaming lava, though. Our people, like all other peoples, want peace and quiet above all."

It is probably true that all other peoples want peace, but it is doubtful that they also want "quiet above all." All dynamic nations strive for something quite different. They long for change, for progress, for development.

THIS OUTRIGHT conservative appeal manifests a very alarming situation - the collapse of the Russian mentality. But recently, Russian conservatism has been expressed much more strongly.

In 1977, the Russian nationalist literary critic, Yuri Loschits, published a biography of Goncharov in which he totally revised Lenin's attitude to Obolomov.

According to Loschits, Obolomov is an outstanding Utopian. He is an ecologist, a predecessor of the modern Greens, whose ideal is a rural life immersed in nature. The happy future is regarded as a return to the happy mythological past.

The official press tried in vain to reprimand Loschits. Soon a film of the novel was made, in which Obolomov underwent a transformation. Nobody cared that Lenin and other founders of Bolshevism had regarded Obolomov as a materialization of the worst Russian features.

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One such article, entitled "The New Obolomov?", depicts the well-educated Soviet citizens who, for one reason or another, become disillusioned, give up their careers and take menial jobs. Unlike their namesake, the new Obolomovs are "socially useful," but they share his indifference. They have "dropped out."

Sometimes, such drop-outs break down completely, as is brilliantly demonstrated in a short story by Vladimir Makanin, in which a successful engineer stops working for no evident reason and takes up meditation. Step by step, he is abandoned by his wife, deprived of his livelihood, and finally dies of a stroke.

From our vantage point, we can better understand what is going on in the USSR. Gorbachev is now attempting to resume the process of modernization halted by Stalin's cultural counter-revolution and re-educate the Russian people, whose modernization has become critical for Russia's survival.

Gorbachev would like to re-establish a revolutionary, or at least a highly dynamic, elite, in order to achieve this aim. The question is, can he overcome the Russian Obolomovs, who have turned out to be less weak than was thought?

Only history can judge who was the stronger in Russia: Lenin or Obolomov.

## WORLD CUP CRICKET

# Aussies' dream comes true

CALCUTTA (Reuters) - Australian captain Allan Border said after his team's world cup triumph here yesterday that he had never expected to win the tournament when it started.

Against a background of deafening cheers from a crowd estimated to be in excess of Eden Gardens' 93,000 capacity, Border said: "I am ecstatic. It is all so fantastic. A new era has begun in Australian cricket." Australia, who made 253 for 5 in their allotted 50 overs edged out England by seven runs with England managing only 246 for 8 in their innings.

Border achieved his first objective when he won the toss and chose to bat. Both captains had said they would bat first on a pitch that was expected to be slow. Throughout the month-long tournament, a vast majority of matches between the stronger sides have been won by the team going in first, notably the semi-finals in which Pakistan and India both foundered after being required to chase at more than five runs an over.

History was also on the side of teams batting first in the final. Australia, England and West Indies, the beaten sides in the first three finals, all fielded second, and lost by mar-

gins of 17, 92 and 43 runs.

David Boon's pulsating 75 was Australia's only major contribution. England's bowlers fought back after Australia ran up 151 for one by the 37th over. Three wickets in successive overs at that stage, reduced the Aussies to 168 for 4.

But a breezy 73-run stand in 61 balls between Border and Mike Veletta enabled Australia to set England a striking rate of 5.88 runs per over for victory.

Set to score 254 for victory, England managed 246 for eight off 50 overs.

Border said before the match: "For some of us this final maybe the last big chance to make it... How can I shatter the dream. I am going to win." His prophecy came true.

Australian bowler Craig McDermott struck an early blow in England's innings, trapping Tim Robinson leg before with his fourth delivery at the score of one.

England partially recovered through a 66-run partnership between Graham Gooch and Bill Athey. However, just when the batsmen had settled in, medium-pace Simon O'Donnell provided Australia a major breakthrough.

Gooch, who scored a brilliant century in the semi-final against India last Thursday, was out leg before to O'Donnell for 35.

New man Mike Gatting, who survived two appeals for leg before against O'Donnell, also benefited from a very sporting gesture from Steve Waugh. Gatting hit a full-blooded shot which was caught on the boundary. The umpires gave the England captain out but Waugh conceded that he had overstepped the boundary and Gatting was not out.

He went on to make 41. Athey departed in the 39th over at the score of 170, run out while going for a third run. He made 58.

Off the final 24 balls, England needed 38 runs, but they lost the vital wicket of Allan Lamb.

Defetias scored 15 runs in the 48th over, including two fours and a six, to revive England's hopes. Only 16 runs were needed in last two overs, but Defetias batted to Bruce Reid and was out. The English tail failed by seven runs.

Border said the fall of Allan Lamb at 218 in the 47th over was the point at which he was sure Australia were heading for victory. "I panicked a bit when Defetias started hitting but it worked out in the end." He said winning the toss and batting first gave his side an advantage on a pitch on which the ball kept low and took some turn in the later stages.

Border praised the performances of Mike Veletta, who made 45 not out, David Boon, man-of-the-match for his 75, and Steve Waugh. Australia's impressive all-rounder.

He said the important dismissals were those of Graham Gooch, Mike Gatting and Lamb. Border himself dismissed Gatting with his first ball when the England Captain attempted a reverse sweep.

When Gatting was asked if a couple of his side's dismissals were the result of unwise shots he retorted: "Just because mine was a reverse sweep doesn't make it any different. The sooner people accept it as a legitimate one-day stroke the better."

"Perhaps as it was Allan's (Border) first ball I must take limited responsibility," added Gatting. "But we had to keep up with the rate and make sure our score was ticking over."

Gatting said nothing should detract from Australia's victory although he regarded winning the toss and batting first in better conditions as the key to their success.

Border, who has had to endure three years of leading the whipping boys of Cricket, said: "I'm ecstatic, over the moon. This is the result of a couple of years hard work by the team and I'm delighted for everyone."

## Satellite circuits begin in Haifa

By JACK LEON

TEL AVIV - Israel's biggest-ever tennis festival got under way over the weekend with 78 men and 20 women from abroad taking part in their respective three-tournament plus Masters' Frankel and Vanessa Phillips satellite circuits.

Top attraction among the guests is French star Jean Fleuriat, currently ranked 79th in the world, and taking part in the \$25,000 ATP event immediately after competing in tournaments in Antwerp and Paris, together worth nearly \$2 million in prize-money. The local entry comprises 65 men and women, among them Shlomo Glickstein and Israeli women's champion, Ilana Berger.

The Frankel qualifier has a 128 draw which is unprecedented in Israel. Play in both men's and women's competition resumes today at 18.00.

This week, Amos Mandorff is participating in the \$40,000 Benson and Hedges tournament at Wembley, London, while Glad Bloom is breaking new ground at the \$105,000 Sao Paulo Grand Prix in Brazil.

Amos Mandorff's conquer in the quarter-finals of the \$80,000 Paris Open Grand Prix, fifth seeded Tim Mayotte, won the singles final yesterday when he best fellow-American Brad Gilbert seeded seventh, in a marathon five-setter, 2-6, 6-3, 7-5, 6-7, 6-3.

At the \$325,000 Grand Prix tournament in Stockholm, world No. 2 Stefan Edberg won his seventh title this year by beating fellow-Swede Joakim Nystrom in four sets, 7-5, 6-2, 4-6, 6-4.

At the women's \$250,000 in Worcester, Massachusetts the two top seeds, Chris Evert and Pam Shriver met in the final. Evert beat third-seeded Argentine Gabriela Sabatini 6-4, 7-6, while Shriver beat fourth-seeded Czechoslovak Helena Sukova 7-5, 6-3.

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## Eli keeps Mechelen riding high

Post Sports Staff

A casual visitor from Israel popping into the local stadium in the Belgian town of Mechelen on Saturday evening might well have imagined that he was at the Bloomfield stadium in Jaffa, or at the YMCA ground in Jerusalem. The chant of "Eli, Eli" resounded through the stands as the new local hero Eli Ohana again did his bit scoring yet another goal for the high flying Belgian club who are now in second place in the Belgian first division with 20 points from 13 matches, one point behind leaders Antwerp.

The Belgian club are also challenging strongly for local European honours, having reached the quarter-finals of the European Cup Winners Cup.

Ohana, who scored a hat trick in the Belgian Cup a fortnight ago and then two goals in Mechelen's away win against St Mirren of Scotland in the European event was again in form when league action resumed on Saturday, scoring one goal and creating another as Mechelen rushed to a 4-1 victory over Winterslag.

Other results: Sunday's matches: Lokeren 2, Beerschot 1; Racing Jet 0, Ghent 1; Kortrijk 3, Beveren 2. Saturday's matches: Antwerp 2, Anderlecht 0; Standard Liege 0, Cercle Brugge 3; St. Truiden 1, FC Liege 1; Club Brugge 1, Molenbeek 1.

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'Bosses not seen since Yom Kippur eve'

## Textile workers feel betrayed

By KEN SCHACHTER  
For The Jerusalem Post

**PETAH TIKVA.** — A truck blocks the main gate, ensuring that not a shred of cotton fibre enters or leaves the plant. Inside, massive green spinning frames and corded machines stand silent, while snow drifts of white cotton fluff hang from the light fixtures and nestle next to crates and fixtures.

Sharon Textile mill has a forlorn look, yet its employees keep showing up for unpaid, 12-hour shifts. They have occupied the 41-year-old plant in an attempt to win increased severance benefits, since it was suddenly shut November 4.

Workers gather in the cafeteria and talk of betrayal. They are irate that management wished them *hatima tova* on the eve of Yom Kippur and had dismissed notices delivered the day after the holiday. "The people are very angry," said maintenance manager Benjamin Wallach. "The bosses haven't shown their faces since the eve of Yom Kippur."

"The consensus is it's management's fault," said Heiman Aryeh, who recently retired from the plant. "They weren't industrialists. They had no feel for the human factor."

For those workers who are neither young nor close to retirement, there is a gnawing fear that they won't be able to find work elsewhere. One 55-year-old employee displays his settlement cheque for NIS 10,421 for 36 years on the job. A woman says her severance pay amounts to NIS 3,834 after 22 years. The workers also are puzzled

since the company hasn't filed for bankruptcy. "Nobody knows what their plans are," said Wallach.

To press their case, workers have demonstrated outside the Knesset and in front of the homes of the Carasso family, which owns the factory. They also marched near the offices of the Renault car dealer, also controlled by the Carassos.

So far those tactics have resulted in some scraps with the police, but no apparent change in the Carassos' position that they won't pay a shekel more than legally required. The Histadrut has entered the negotiations and, pushing hard, Wallach said, is pushing hard. Wallach said, knowing that the new economic climate in Israel could bring about similar closures. "That's why the Histadrut is so interested in getting something out of them," he said. "It could happen to other companies."

The plant was founded by Moshe Carasso in 1946. After his father's death, Shlomo Carasso took the reins and followed a conservative course of growth. But, Wallach said, in the 1980s, Carasso has been dogged by "bad luck."

One year, he said, Carasso signed a one-year contract to buy cotton shortly before the price fell more than 30 per cent. In another case, a cotton yarn marketing company, in which Sharon was a major partner, underwrote a loan to a competing cotton mill. That company went bankrupt and Sharon found itself liable for a portion of the loan. The final blow, however, came this year, Wallach said, when the price of raw

cotton almost doubled in the span of a few months.

"That was the death blow," he said. "That was when they decided to close. It has nothing to do with the operations of the factory."

In fact, he said, over the last two years, layoffs and efficiency measures have brought the ageing plant up to the efficiency standards of Europe, where it takes about 13 man hours to process 100 kilos of yarn. With the plant running three shifts daily, production was running at six to seven tons a day.

In recent months, another brother, Benjamin Carasso, has taken over many of the duties from Shlomo, although Shlomo retains the title of general manager. The Carasso family could not be reached for comment on the labour unrest.

Thus far, police have taken a "hands off" approach to the workers' occupation of the plant. "The police don't interfere as long as we don't put fire to the factory," Wallach said. Just such fears apparently inspired an inspection Friday by the police. Though garbage was strewn on the plant's 16-dunam site, the machines were found unscathed.

The same cannot be said of the employees, who clearly have been shaken by the unexpected shutdown.

Eliahu Rasanby forlornly smokes a cigarette in the cafeteria. He has been working at the plant since 1952 and now, he feels, his job prospects are decidedly uncertain. Noticing a reporter, he calls out: "The headline should be 'Sorry Tale.'"



**FRENCH FASHION INDUSTRY:** A model of French designer Jacqueline de Ribes as she presented a grey check jacket with skirt and T-shirt in the Paris 1988 Spring/Summer ready-to-wear fashion show. (AFP)

## Shapira-Libai wants change in womens' disability curbs

Jerusalem Post Reporter

Dr. Nitsa Shapira-Libai, the prime minister's adviser on the status of women, has sent an urgent letter to the Treasury's insurance inspector regarding the cancellation of disability payment for women who have suffered complications due to pregnancy or birth.

The prime minister's adviser claims that this move discriminates against women and is detrimental to the "public good."

In addition, removing this risk category from health risks (such as smoking or overweight) does not comply with what is considered reasonable and just in society, the adviser wrote. It affects women's financial status only because they are women, and it goes against the national policy of encouraging larger families.

Dr. Shapira-Libai therefore asked the inspector to cancel this decision.

have also been lessened in cases relating to suicide attempts, self-inflicted injuries, criminal activities, drug use and drunkenness.

Dr. Shapira-Libai wrote in her letter that a single category which includes risks stemming from pregnancy and birth and risks stemming from an individual's participation in crime, self-injury, drugs or drinking is unacceptable.

In addition, removing this risk category from health risks (such as smoking or overweight) does not comply with what is considered reasonable and just in society, the adviser wrote. It affects women's financial status only because they are women, and it goes against the national policy of encouraging larger families.

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## South African cosmetics enter the Israeli market

By GREER FAY CASHMAN  
Jerusalem Post Reporter

"We're not involved with politics. We're involved with skin care." So says Merle Proos, one of two partners in M & M Cosmetics, which is importing Avroy Shlain skin care and beauty products from South Africa to Israel. The other M in the partnership is Mavi Haus. Both women are trained cosmeticians. Proos came here from South Africa 10 years ago. Haus is a native.

Each is convinced that Israeli women will be more interested in what the South African products can do for them, than the country from which they originate.

Avroy Shlain is a household word in South Africa — the kind of success story that provides good fodder for Hollywood films. When he laid the foundations for his corporation 14 years ago, Shlain looked around and saw that none of the internationally acclaimed brand names marketed in South took into account the harsh realities of the South African climate.

It occurred to him that what was needed was a range of cosmetics specifically created for the South African woman.

What was equally important to make the venture a success was to engage in direct selling with follow-up. Casual, across the counter, sales were not the way to make a million as far as Shlain was concerned. Women had to be able to examine the products, to test them and to learn what was good for their skins and why.

The try and buy meetings were to be in private homes, with groups of not more than five. Though orders were to be taken at these meetings, there were to be no on-the-spot supplies. All products ordered were to be delivered within the week. This the seller could establish ongoing contact with the buyer.

The business has grown into a corporate giant with an annual turnover of more than R 25 million a year and 5,000 sales staff in South Africa alone.

## Germans to help Danish's customers

Jerusalem Post Reporter

**TEL AVIV.** — A West German producer of kitchen cabinets has agreed to shoulder up to 50 per cent of the cost to help customers who placed their orders through the Danish chain, the company's agent said yesterday.

Aviram Hassin, an agent for Siematic kitchens, said about 30 customers failed to receive their cabinets because the Danish chain went into receivership. Hassin said Siematic is willing to discount the deposits consumers placed with Danish up to 50 per cent of the full price.

Hassin, an architect who formerly worked with Danish on a "free-

lance" basis, said the offer is good only until Dec. 31. The settlement with Siematic, he said, has no bearing on bankruptcy proceedings involving Danish. The kitchens range in price from \$6,000 to \$45,000, he said.

About 1,000 customers who paid for goods were affected by Danish's bankruptcy.

Bank Leumi is the primary creditor of the 16-store chain, with an outstanding loan of about \$860,000. Roughly \$440,000 is owed to Bank Mizrahi.

Danish is estimated to have accumulated losses of \$1.5 million in 1985 and 1986.

## BUSINESS BRIEFS

## Banks head meets with builders

Asher Halperin, executive director of the Association of Israel Banks, met recently with leaders of the Contractors Association. They discussed formulation of new policy by the country's mortgage banks aimed at raising more capital for financing of mortgage loans for home buyers.

## Modems permit library searches

Several major institutions of higher learning in Jerusalem are now tied into the Hebrew University-National Library's computer system. The contact, which enables the institutions to search the databases of the library and its affiliates, is made possible by modems manufactured by Motorola Company.

## Namibia clears de Beers of overmining

**WINDHOEK (AFP)** — The South African-installed Namibian government has rejected the findings of a commission of inquiry that much of the territory's mineral wealth is deliberately being stripped in anticipation of independence.

But diamond industry consultant Gordon Douglas Brown told Agence France-Press like a "white-wash". Last Friday a Namibian government committee dismissed as "unsubstantiated" charges that the South African diamond giant de Beers was guilty of gross overmining, tax avoidance and other malpractices in Namibia.

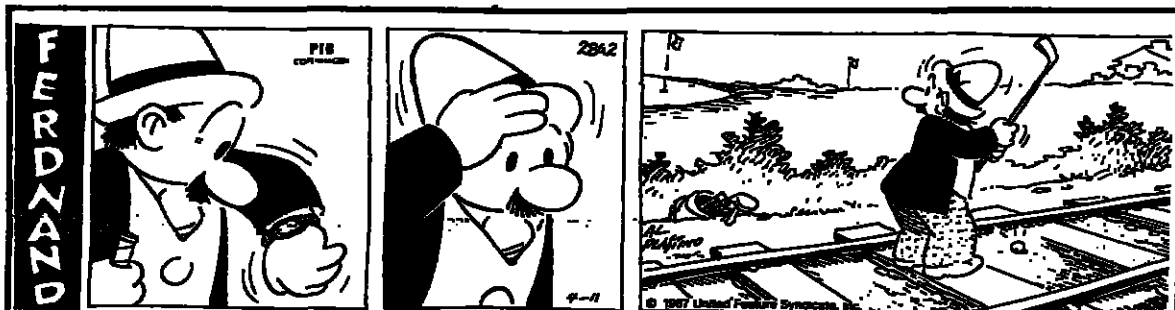
The charges came from a commission headed by South African Judge Pieter Thirion, set up to examine malpractices in the Namibian administration. One of its most serious charges was that de Beers and its Namibian arm, Consolidated Diamond Mines, had abused their monopoly of Namibia's diamond resources by mining the richest grades as quickly as possible.

Under a long-standing agreement, de Beers was supposed to mine low-grade as well as high-grade reserves, thereby prolonging the profitability of Namibia's biggest export earner after uranium.

The Thirion report, tabled in 1986, said that the state had little control over the diamond industry, or knowledge of what was happening to the country's dwindling and non-renewable natural resources.

The commission also alleged "transfer pricing", whereby de Beers undervalued its production for tax purposes by selling diamonds cheaply to foreign subsidiaries, which in turn sold them for much more.

Last month, the allegations were aired in a British television documentary.



## CROSSWORD

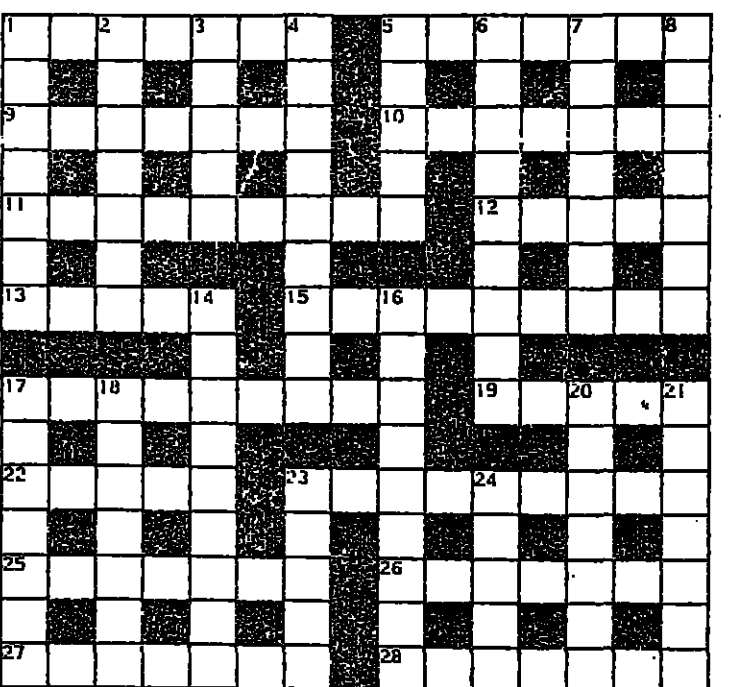
## ACROSS

- 1 Quite resilient, living from Casula (7)
- 5 People checking over heads (7)
- 9 Impudent article written about one concern (7)
- 10 A little support accorded to a fellow creature (7)
- 11 Given directions to bolt without a struggle (9)
- 12 Los Angeles has put in for a place in the mountains (5)
- 13 Pole was plainly distressed but cleaned up (5)
- 15 Grant admission (9)
- 17 Herb, the heavyweight—no great thinker (9)
- 19 A trio forming a relationship (5)
- 22 Model problem (5)

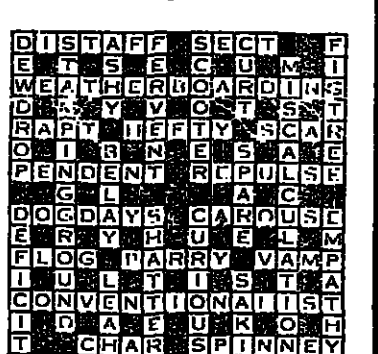
- 23 The hour interrupted by a woman's attacks (5,3)
- 25 Not in favour of making a profit? Good man! (7)
- 26 A strike backed by almost countless union (7)
- 27 Allow in some exotic food (7)
- 28 The team will appear green in time (7)

## DOWN

- 1 No longer journalists, that's clear (7)
- 2 A game contract (7)
- 3 It's up to a painter to provide the jewellery (5)
- 4 Taking note on boy workup being agreeable (9)
- 5 A river sailor has to go round a large number (5)



## Yesterday's Solution



## QUICK SOLUTION

ACROSS: 7. Truce, 8. Porter, 10. Train, 11. Jingle, 12. Kluge, 13. Essay, 17. Ounce, 18. Push, 23. Stamp, 25. Tumbler, 26. Ampere, 28. Scout, 4. Conical, 5. Stage, 6. Order, 9. Precursor, 14. Support, 15. Purling, 16. Charter, 19. Assay, 20. Happy, 21. Smock.

## QUICK CROSSWORD

## ACROSS

- 1 Spot (5)
- 4 Amuse (6)
- 9 Examine (7)
- 10 Unimportant (5)
- 11 Require (4)
- 12 Pharaoh (7)
- 13 Degenerate (5)
- 14 Notable (4)
- 16 Woman (4)
- 18 Copy (3)
- 20 View (3)
- 21 Pug (4)
- 24 Condition (5)
- 25 Raise (7)
- 26 Heretical (6)
- 27 Fold (3)

## DOWN

- 1 Nuisance (6)
- 2 Rubout (5)
- 3 Monarch (4)
- 5 Static (6)
- 6 Relations (7)
- 7 Mistake (5)
- 8 Duress (5)
- 13 Occupant (8)
- 15 Stir up (7)
- 17 Clut (6)
- 18 Heavenly being (5)
- 19 Road (6)
- 22 Angry (5)
- 23 Retain (4)

## GENERAL ASSISTANCE

## EMERGENCY PHARMACIES

Jerusalem: Elison, 10 Yeshayahu, 48212; Baisan, Saleh, 27215; Shu'afat, Shu'afat Road, 810108; Dar Aldawa, Herod's Gate, 282058; Tel Aviv: Shor, 54 Hamelech George, 280644; Hashia-Kupat Holim Maccabi, 7 Hashia, 463371/6.

Ra'anana-Kfar Sava: Kinneret, 119 Weizmann, Kfar Sava; Netanya: Haness, 38 Sderot Weizmann, 22329; Krayot area: Kupat Holim Hama, Simat Modlin, 715136; Haifa: Yavne, 7 Ibn Sina, 672288.

## DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics), Hadassah Ein Kerem (internal, surgery, orthopedics, E.N.T.), Misgav Ladach (obstetrics), Shaare Zedek (ophthalmology), Tel Aviv: Rofa (pediatrics, internal, surgery), Netanya: Laniado.

## POLICE 100

Dial 100 in most parts of the country. In Tiberias dial 824444, Kiryat Shmona 4444.

## FIRE 102

In emergencies dial 102. Otherwise, dial number of your local station as given in the front of the phone directory.

## FLIGHTS

24 - Hours Flight Information Services: Call 03-9712484 (multi-line), Arrivals Only (Taped Message) 03-381111 (20 lines)

## FIRST AID 101

Magen David Adom  
In emergencies dial 101 in most parts of the country. In addition:

Ashdod 51232 Jerusalem 523133  
Ashdod 22333 Kiryat Shmona 94343  
Bat Yam 551111 Kiryat Shmona 94343  
Beer Sheva 74767 Nahariya 823333  
Beersheva 58866 Netanya 22333  
Dan Region 78111 Petah Tikva 923111  
Eller 72333 Rehovot 451333  
Hadera 22333 Rishon LeZion 4233  
Haifa 51223 Safed 50333  
Holon 93133 Tel Aviv 546011  
Tel Aviv 524512, Jerusalem 245554, and Haifa 65011.

Emergency First Aid, Tel. Jerusalem 227171, Tel. Aviv 5461111 (children only 03-261113), Haifa 572222, Beer Sheva 418111, Netanya 35316.

Rape Crisis Centre (24 hours), for help call Tel. Aviv 224512, Jerusalem 245554, and Haifa 65011.

The National Poison Control Centre at Rambam Hospital, phone (04) 522205, for emergency calls, 24 hours a day, for information in case of poisoning.

Kupat Holim Information Centre Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

## Newspapers may turn to soybeans

By MICHAEL CONLON

**CHICAGO (Reuters)** — The ink used to print newspapers may some day come from farm fields instead of oilfields.

Today most newspaper ink is made of oil, but the long-term uncertainty about the price of petroleum products and the expense involved in disposing of waste products has prompted a search for new ways to make ink.

So far the soybean — a source of a vegetable oil that is both relatively cheap and bio-degradable — is a leading contender. The American Newspaper Publishers Association (ANPA), which started researching non-mineral oil inks in 1980 and now holds patents on two such products, estimates that as many as 30 American newspapers have experimented with or switched to ink made from soybean oil.

There are 1,650 newspapers in the U.S. and they use about 112 million kg of printing ink each year, according to the ANPA.

The ANPA patents involve soybean oil and an oil from wood pulp called "tall oil." The latter

works very well, an ANPA researcher told Reuters, but its price fluctuates more than soybean oil because it is used in other products, such as linoleum.

On the other hand, soybeans are in abundant supply after years of surplus production. As of September 1, there were 436 million bushels of raw soybeans in storage in the U.S. in addition to 800 million kg of soybean oil. Each bushel of beans yields about five kg of oil.

The American Soybean Association estimates there is a potential newspaper ink market for between 135 to 155 million kg of soybean oil a year.

Cost is still a factor, however, as only small amounts of soy-based ink currently are produced. The association estimates that basic petroleum-based black ink sells for 47 cents per pound, with a higher quality mineral ink costing perhaps 65 cents per pound. In comparison, a good soy-based ink sells for about 83 cents per pound.

"It is expensive, but the price is still settling in," an association researcher said. "When more is pro-

duced, the price will go down. It's of high quality and development costs are still entering into it." Any massive shift to soy-based newspaper ink would help farmers and processors, an economist for the soybean association said. Currently, the U.S. consumes about 48 billion kg of edible soy oil each year and exports around 500 million kg.

In addition to the uncertain future of petrochemical prices, the cost of disposing of sludge ink left over from the printing process is a growing headache for newspapers.

Some newspapers have said they spend \$300 a barrel for safe disposal of something that cost only a fraction of that when it was fresh.

## Volume rises at Ashdod

Jerusalem Post Reporter

Cargo volume handled by Ashdod Port rose by 14 per cent in the first half of this year compared with the same period a year ago, the Ports Authority has announced. More than 4.5 million tons of cargo passed through the port between April and September.

## "LA CONCORDE"

COMPAGNIE D'ASSURANCE CONTRE LES RISQUES DE TOUTE NATURE-PARIS

(In French Francs)

CONDENSED HEAD OFFICE BALANCE SHEET, AS AT DECEMBER 31, 1986

| 1986          | 1986                                  | 1986          | 1986                             |
|---------------|---------------------------------------|---------------|----------------------------------|
| 564,981,903   | Share Capital, Reserve and Surplus    | 678,939,727   | Securities and other investments |
| 1,141,266,508 | Uninsured Risks Reserve - General     | 2,572,163,844 | 3,058,912,487                    |
| 2,403,199,453 | Insurance                             | 803,282,794   | 243,848,413                      |
| 583,186,948   | Outstanding Claims, General Insurance | 1,217,208,174 | 1,525,181,988                    |
| 4,692,634,812 | Other Liabilities                     | 630,186,286   |                                  |
|               |                                       | 5,131,942,862 | 4,692,634,812                    |

STATISTICAL INFORMATION IN RESPECT OF GENERAL INSURANCE

REVENUE AND PROFIT AND LOSS ACCOUNT FOR THE YEAR 1986

| 1986          | 1986   | 1986          | 1986 |
|---------------|--|---------------|------|
| 2,151,567,310 | Premiums   | 2,238,268,193 |      |
| (293,962,174) | Loss on Insurance                                      | (329,139,431) |      |
| 383,769,579   | Interest less expenses not credited to revenue account | 448,244,856   |      |
| 38,675,989    | Profit on realization on Investment                    | 43,818,889    |      |
| 126,683,294   | Profit for the year                                    | 165,024,553   |      |

STATISTICAL INFORMATION IN RESPECT OF GENERAL INSURANCE

REVENUE AND PROFIT AND LOSS ACCOUNT FOR THE YEAR 1986

| 1986        | 1986   | 1986      | 1986 |
|-------------|--|-----------|------|
| 286,343     | Premiums on Registration Fees                                | 312,341   |      |
| (666,082)   | Loss on Insurance  | (440,741) |      |
| (888,766)   | Income on Investment less Income credited to revenue account | (106,284) |      |
| (1,523,858) | Loss transferred to Head Office                              | (547,025) |      |

INVESTMENT POSITION IN ISRAEL AS AT DECEMBER 31, 1986

| 1986        | 1986                          | 1986      | 1986 |
|-------------|-------------------------------|-----------|------|
| 1,495,917   | Liabilities in Israel         | 1,009,455 |      |
| 248,197     | Admitted Investment in Israel | 247,234   |      |
| (1,247,720) | Deficiency in Investment      | (762,101) |      |

NOTE: Complete and detailed Financial Statements, together with the Directors' report and also Auditors' Report thereon are available at the Office of the Principal Agents - Standard Insurance Ltd., 120 Allenby Road, Tel Aviv.

AGENTS OF THE COMPANY IN ISRAEL  
Standard Insurance Ltd.



Part Three of the Milton Friedman interview

Liberalization and Israel's economy

By DANIEL DORON

DORON: Some people claim that the basic rate of inflation in Israel, now at around 25%, is government induced, but the ratcheting up of inflation, they say, is often caused not by an increase in the deficit, but simply by devaluations.

FRIEDMAN: But why did the devaluations occur?

Q. Of course, I see your point. A. I think it is an interesting question: Why don't you have a stable rate of inflation and why does it ratchet up? I think that the explanation is much more direct and immediate. It was given, in a sense, by Abraham Lincoln who once said, "You can fool all of the people some of the time, you can fool some of the people all of the time, but you can't fool all of the people all of the time."

Government revenue from printing money results from two developments, basically. First, these pieces of paper are exchanged for real goods and services. They are a tax - a very sophisticated tax - but they do deliver these goods and services. Suppose you could keep that up indefinitely at a given rate of inflation, say of 10%. Suppose you then go from 10% to 15%? It takes time for people to adjust to that.

During that interim adjustment period, you get more value for those pieces of paper than you can afterward. When people wake up, they start to cut down their holdings of cash relative to their income. And then you discover, lo and behold, that printing the same amount of money no longer gets you the same real resources. Then there's a very strong tendency for the government to increase the amount of money and they can again fool people for a while.

But the ratcheting up of results, in my opinion, almost always is a result of the fact that people catch on to what's going on. If you really want to understand inflation, the best way is to try to understand alcoholism. In both cases, when you first begin, the initial effects are very good. When you first start to take a drink in the evening, you feel happy and good.

Similarly, when you start out on an inflation, the first effects are very good, as you tend to get higher output and the government can get money without passing higher taxes. But then you have a hangover the next morning. Later on, the effects are very bad. The same applies to inflation.

As people catch on, they start to adjust to it. Output doesn't go up any longer; it starts to go down, and prices start to go up. This is the obvious comparison between the two, but there's another.

If you're an alcoholic, at first you can get a good deal of pleasure out of a small amount of alcohol. But it gradually takes more and more for you to become satisfied. And it's exactly the same way with inflation. At first, the government can get quite a lot of resources for a relatively small injection of money. But then, it takes longer and larger injections of money to get the same thing. And the comparison even goes to the cure.

Whereas when an alcoholic starts, the first effects are good and the later effects are bad, it's the reverse when you come to cure it. With both alcoholism and inflation, the first effects of the cure are bad. A person who goes on the wagon feels terrible. But the later effects are very good. And, the same with inflation. When you first start to stop it, the effects are very bad. Later on, however, you get the benefits.

PLAUT: Continuing with the alcohol analogy, Jewish tradition's method for preventing alcoholism is the steady, regulated and moderate intake of alcohol. Similarly, Professor Friedman is famous for a similar proposal for controlling inflation. Returning to an earlier point, a part of the argument made by some that "Israel is unique" in terms of inflation, is that in Israel the increase in the money supply doesn't seem to match increases in the rate of inflation.

FRIEDMAN: This is never the case, because people are catching up. And this is true in every inflation I know. You go through three stages in an inflation. The first stage is that prices rise less rapidly than the quantity of money. That's when people are really fooled. Then, prices rise about as rapidly as the quantity of money. Then you go through a stage when prices rise much more rapidly than the quantity of money because people are catching up.

Now, when you stop it, the situation is reversed. When you first stop inflation, you have a period during which the quantity of money will rise less rapidly than prices. Then you go through a period when the two rise about the same. Then you go through a period when the quantity of money rises much more rapidly than prices, because at that stage, people are rebuilding their cash balances. There's no simple one to one relationship between the quantity of money and prices as people sometimes tend to posit. There's absolutely nothing mysterious about the kind of phenomenon I'm talking about. And it's not unique to Israel.

After all, this idea that the three million people in Israel have a different set of laws governing them is not serious. The law of gravity and the laws of economics apply in Israel as they apply anywhere else. But again, I want to emphasize to you that the major problem that Israel faces is not, in my opinion, inflation.

The major problem Israel faces is socialism. You were talking earlier about my being in Israel in 1977. I was here, as I said, to receive an honorary degree at Hebrew University, and I gave a talk on the occasion, in which I said (and I believe this to be correct today as it was then) that without the socialist idealism of the founding fathers, Israel could never have been established. But that very Socialist idealism is the major obstacle to Israel's success.

Israel cannot succeed and become the kind of viable society it deserves to be, unless it can somehow throw off those shackles of socialist ideas and move into a capitalist vein. Let me add one more thing about that. When I was in Israel for the first time, for about three months in 1963, I summarized my impressions by saying that there are two Jewish traditions at war in Israel. One of them is a 100-year-old tradition of democratic socialism. The other is a 2,000-year-old tradition coming out of the Diaspora of how to get around government regulation. In 1963, I said that fortunately for Israel, the second tradition is stronger than the first. Unfortunately for Israel, the more recent tradition became dominant in the Seventies and Eighties. In order for Israel to revive, it's not enough for the older tradition to re-assert itself because the extent of government intervention today is so great that what you need to do is to reduce that government intervention very much.

Q. Yet Israelis believe that market forces have to be curbed because certain national goals, such as absorbing immigrants, have to be fulfilled.

A. If Israel had been following a free market policy for the last 10 or 15 years, your population today would be close to twice what it is. You've been having people leaving Israel, not coming. Why? Because the economy is such a mess.

Why can't Israel be the Hongkong of the Middle East? After all, you have a very able and enterprising population. Israel is a natural place for the South African Jews to come to. Why haven't they done so? Because there is not an entrepreneurial environment, an environment in which they can make their way and develop. What's stifling Israel, what's preventing immigration, is precisely the socialist policies that Israel is following.

What you need to do is to open up the markets, get government out of business, stop the Histadrut labour federation from being a monopoly and let people have an opportunity to make their own way, using their own resources instead. Many able and enterprising Israelis find that they have far more opportunities in America, in Britain or Australia. Where do the South Africans fit? After all, the South African Jews have been a very successful and cohesive community and they have been very strong supporters of Israel. Why is it that so few of them have come to Israel?

The great majority of them have been trying to leave South Africa. They've been going to Australia, to the U.S. They haven't been going to Israel. Why? So, when you talk about the need of the government to encourage immigration, you've got the situation upside down.

Now, let's discuss defence. I have always felt, especially when I examined the figures in 1977, that the argument for a strong defence was a fake, an absolute fake. What we ought to consider, when considering the burden of defence is the part of it that is borne by Israel. People say that expenditures on defence are 40% of the GNP.

That's a false and fake figure, because a large fraction of that is actually paid for by the U.S. At the time I was there, I calculated that defence spending, in terms of what Israel was bearing, was about 15% of the national income. That's twice that of the U.S., but it's not intolerable. If Israel doubled its GNP, if you had twice the number of people, if you had a more productive economy, there's no reason why Israel shouldn't be prosperous.

Look at countries that have relied on the market. If you take places like Hongkong or Singapore or Korea, these are countries that started way below Israel. But they are below Israel today? I don't think so. I think that in most cases they are above, under much worse conditions, as in the case of a place like Hongkong, which is a crowded little place. It's not a place either of us would want to live in. But look how well they have done.

Similarly, Israel could have twice its current GNP. Insofar as the defence burden is concerned, the way to bear the defence burden most easily is to have the most productive economy. The way to have the most productive economy is not to have it run from the centre. Now, what else is unique about Israel?

The writer is the manager of the Israel Centre for Social and Economic Progress.

(This series of articles will continue in coming issues of The Jerusalem Post.)

Large October trade deficit

By AVI TEMKIN

Israel's trade deficit totalled \$425 million last month, bringing the cumulative figure for the first 10 months of the year to \$2.7 billion, an increase of 40 per cent compared with the same period for 1986.

According to figures released yesterday by the Central Bureau of Statistics, last month's import bill was valued at \$1 billion, while exports totalled only about \$580m. A spokesman for the bureau said the low export figure was partly caused by the slowdown strike in the country's ports, which led to delays in the loading of export shipments. Export figures are based on the loading date, the spokesman added.

Despite the large increase in October's deficit, the bureau said the deficit's monthly average for the last four months was \$262m., about 3 per cent less than the average for the first half of the year, but 13 per cent higher than the one for the last half of 1986.

Since the beginning of the year, exports have totalled \$6.5b., a 16 per cent rise over the same period last year. The monthly average of exports for July-October was still 4 per cent higher than the average for the previous six months, the bureau said.

Moreover, industrial exports excluding diamonds were 5 per cent higher in the last four months than in the first half of the year. In the first 10 months of the year the monthly average of industrial exports was \$450 million, 12.5 per cent higher than the figure for the last half of 1986.

Jeff Black adds:

Industry and Trade Ministry officials said yesterday that although October's figures were not encouraging, one month's figures should not serve as a basis for predicting the future. They added, however, that the ministry is concerned by the problems of exporters to dollar-bloc countries following the recent devaluations in the financial markets.

Interest rates - high and steady

By PINHAS LANDAU

Post Finance Reporter

Interest rates on large deposits, known as "jumbos," have settled at an annual rate of 19.5 to 20.5 per cent and are likely to remain at this level for the foreseeable future, according to senior bankers.

Meanwhile, some banks are moving to build up a broader and more stable deposit base by paying higher interest rates for small deposits. In this way they apparently hope to reduce their dependence on the volatile jumbo deposits.

Bank Hapoalim is offering an unlinked 12-month deposit, paying a floating-rate interest of five per cent over the prime borrowing rate - currently 15 per cent per annum. In fact, the depositor can withdraw his funds after each three-month period, but the rate of interest he receives rises the longer he stays in.

Hapoalim's scheme is open for even small sums, and gives small savers the chance to obtain the same yields as the institutional jumbo depositors - although at the price of sacrificing immediate access to their money.

Israel Discount Bank has also introduced a range of higher-paying deposits for periods from one to 12 months, with the 12-month deposit paying prime plus 4 to 5 per cent, depending on the amount.

However, no one believes that these moves can have more than a marginal effect on the basic liquidity deficit in the banking system. It is this "built-in" deficit, which has accumulated steadily over the last year or two, that is responsible for pushing interest rates to the 20 per cent level, and keeping them there for several months past.

Commercial bankers insist that only Bank of Israel action can change this chronic imbalance between the amount of shekels available to the banks as deposits, and the amount they lend. The bankers want to see the central bank lower the tough liquidity requirements it imposes on most short-term funds. This would effectively cheapen the cost of funds, and push interest rates lower.

However, as one banker admitted yesterday, "if the Bank of Israel were to push interest rates down in the present environment it would merely be encouraging people to borrow in order to speculate on a possible devaluation. We need a combined move, which might include a devaluation and reduced interest rates. That would be a suitable background for the central bank to make its proposed changes in the way it controls liquidity in the banking system. If it brings them in as things stand today, it would trigger much higher interest rates all round."

**Tel Aviv Stock Exchange**

Indexes

General Share 123.56 0.29%  
25 Shares 143.76 0.73%  
General Bond 123.07 0.27%

Shares Movements

Advances 134  
Unchanged 146  
Declines 154

**Statistics**

**Stock Indices**

General Share (incl. argmt.) 127.16 +0.24%  
Non-argmt. 125.48 -0.23%  
S. African rand 121.71 +0.35%  
Mortgage Bank 135.89 +1.07%  
Financial Inst. 126.42 -0.50%  
Insurance 134.94 +0.38%  
Commerce & Services 127.71 +0.54%  
Real Estate & Ag. 118.91 -0.05%  
Industrial 126.19 +0.30%  
Food & Tobacco 104.74 +0.10%  
Textiles 109.00 +0.87%  
Metals 113.24 +0.10%  
Electronics 91.90 -0.72%  
Chemical 134.52 -0.31%  
Industrial Invest. 150.84 +0.36%  
Investment Cos. 146.27 +0.44%  
Oil Exploration 86.48 -2.18%  
Parallel List 70.77 -1.20%

**Bond Indices**

Index-linked Bonds 123.04 +0.29%  
Fully linked 125.48 -0.23%  
Partially linked 118.67 +0.44%  
Foreign Currency 118.61 +0.08%  
FC denominated 115.04 +0.23%  
FC linked 117.94 +0.05%  
Short-term 0-2 yrs 118.35 +0.36%  
Short-medium 2-5 yrs 122.36 +0.06%  
Medium-long 5-7 yrs 126.19 +0.30%  
Long-term 7+ yrs 128.24 +0.48%

**Turnovers**

Total Shares NIS 29,791.5  
Non-arrangement NIS 17,193.3  
Arrangement NIS 12,598.2  
Treasury Bills NIS 2,465.5

**Share Movements**

Advances 134 (145)  
Unchanged 146 (154)  
Declines 154 (104)  
of which 5%+ 28 (13)  
5%+ only 16 (104)  
Declines of which 5%+ 28 (13)  
5%+ only 16 (104)  
Trading halt 40 (46)

**Bond Market Trends**

Index-linked: Stable/mixed to 1%  
3% fully linked: Stable/mixed to 1%-3%  
80% linked: Stable/mixed to 1%  
Double linked: Stable/mixed to 3%  
Rimon: Stable/mixed to 1%  
Gilboa: Stable/mixed to 1%  
FC denominated: Slight rise  
T-bills: 15.40-15.70%

**Arrangement Yields**

103.71%  
Discount A 9.83%  
Discount B 10.82%  
Mizrahi R 10.22%  
Hapoalim R 10.71%  
General A 10.86%  
Leumi Stock 10.86%  
Fin. Trade 1 11.37%

**25 Shares**

Morning

Price Volume % Change

Alcoa 8578 222.5 +1.75%  
Amstar 255 286.2 +1.50%  
Ciba 455 211.8 +2.00%  
Duke 9569 178.6 +0.40%  
Duke 2533 284.5 +1.50%  
Duke 38012 70.4 +1.25%  
Duke 1061 24.7 +1.50%  
Duke 2917 275.7 +1.50%  
Duke 70731 291.4 +1.00%  
Duke 98.5 +1.75%  
Eltel 15718 88.5 +1.25%  
Eltel 858 114.2 +1.25%  
Eltel 4568 122.1 +1.00%  
Eltel 227408 272.2 +0.75%  
Eltel 10633 333.3 +1.00%  
Eltel 2800 38.5 +0.50%  
Eltel 889 282.4 +0.75%  
Eltel 382747 612.8 n.c.  
Eltel 13784 19.8 n.c.  
Eltel 244 401.0 +1.25%  
Eltel 8184 444.8 +1.00%  
Eltel 1035 101.9 +0.25%  
Eltel 4485 407.8 +0.75%  
Eltel 2281 403.2 +0.50%  
Eltel 1318 480.1 +1.75%

Afternoon

Price Volume % Change

Alcoa 8232 142.3 -1.70%  
Amstar 252 28.4 -1.20%  
Ciba 454 32.8 -0.40%  
Duke 9787 73.8 -0.70%  
Duke 2533 68.7 n.c.  
Duke 38723 163.7 -0.70%  
Duke 1051 188.3 -0.80%  
Duke 2917 16.4 n.c.  
Duke 70331 60.2 n.c.  
Duke 98.5 75.1 n.c.  
Eltel 15483 32.5 -1.50%  
Eltel 858 14.4 n.c.  
Eltel 4568 122.1 n.c.  
Eltel 227408 8.0 n.c.  
Eltel 10618 1.1 n.c.  
Eltel 2800 54.5 +0.20%  
Eltel 882 101.7 -1.80%  
Eltel 381940 65.1 -0.80%  
Eltel 19.8 17.94 n.c.  
Eltel 244 150.8 -0.40%  
Eltel 8184 51.7 n.c.  
Eltel 1024 37.8 n.c.  
Eltel 4432 115.1 -0.70%  
Eltel 2291 36.8 n.c.  
Eltel 1318 87.8 n.c.

Asian stock conference

TAIPEI (Reuters). - Senior officials from nine Asian stock markets will hold a one-day conference today here which Taiwan stock exchange officials said will focus on technical issues of share trading.

But the meeting will also give the officials the chance to discuss privately the impact of the U.S. crash on the economies of Asia's export-led countries, who rely heavily on American markets to fuel growth.

Although in Japan, large institutions managed to cushion the effect of Wall Street's dive in the markets in Singapore, Hongkong and Taiwan are still reeling from panic selling that wiped out most of the gains of a bull year.

With the exception of Hongkong, East Asian stock exchanges coped well with a massive volume of business following "Black Monday" on Wall Street.

Expected at the conference is Ronald Li, the embattled chairman of the Hongkong stock exchange. He is under pressure to resign following fierce criticism from foreign brokers about his management during the crisis.

Li ordered Hongkong's market closed for four days, while other exchanges weathered the storm.

**Israel Money Market**

**Shekel Deposits (annual rates)**

| Bank                 | Deposit Size      | Pachak | 7 days | 14 days | 30 days |
|----------------------|-------------------|--------|--------|---------|---------|
| Leumi (Nov. 6)       | 40-1,000          | 12.50  | 7.00   | 8.00    | 10.25   |
|                      | 1,000-10,000      | 12.50  | 14.00  | 14.50   | 15.00   |
|                      | 10,000-50,000     | 12.75  | 14.75  | 14.75   | 15.50   |
|                      | 50,000-100,000    | 13.00  | 15.00  | 14.50   | 15.75   |
|                      | 100,000-500,000   | 13.25  | 15.00  | 14.50   | 15.75   |
|                      | 500,000-1,000,000 | 13.50  | 15.00  | 14.50   | 15.75   |
| Hapoalim (Sept. 7)   | Up to 888         | 11.00  | 11.00  | 11.50   | 12.00   |
|                      | 1,000-5,999       | 11.00  | 11.00  | 11.50   | 12.00   |
|                      | 10,000-49,999     | 12.00  | 12.50  | 12.00   | 13.50   |
| Discount (Nov. 5)    | 50-990            | 6.00   | 7.00   | 8.00    | 10.00   |
|                      | 1,000-9,990       | 12.00  | 12.00  | 12.00   | 16.00   |
|                      | 10,000-49,990     | 14.00  | 14.00  | 14.00   | 16.00   |
|                      | 50,000-99,990     | 14.00  | 14.00  | 14.00   | 17.00   |
|                      | 100,000+          | 15.00  | 16.00  | 16.50   | 17.50   |
| Mizrahi (Nov. 5)     | 40-2,000          | 8.00   | 8.00   | 8.00    | 8.00    |
|                      | 2,001-4,000       | 11.00  | 11.00  | 11.00   | 12.00   |
|                      | 4,001-10,000      | 12.50  | 12.50  | 12.50   | 14.00   |
|                      | 10,001-50,000     | 13.00  | 13.00  | 13.00   | 14.00   |
|                      | 50,001-100,000    | 13.50  | 14.00  | 14.50   | 16.50   |
|                      | 100,000+          | 14.00  | 15.00  | 15.00   | 17.00   |
| First Int'l (Oct. 4) | 50-990            | 8.00   | 8.00   | 8.00    | 8.00    |
|                      | 1,000-4,999       | 11.00  | 11.00  | 11.00   | 12.00   |
|                      | 5,000-9,999       | 11.50  | 12.00  | 14.10   | 15.00   |
|                      | 10,000-49,999     | 12.50  | 12.50  | 12.50   | 15.00   |
|                      | 50,000+           | 13.00  | 13.00  | 14.00   | 15.00   |

\*NIS 2,000-4,000 \*\*4,001-15,000

**Pachak (foreign currency deposit rates, Nov. 6)**

| Currency (min. deposit)  | 3 MONTHS | 6 MONTHS | 12 MONTHS |
|--------------------------|----------|----------|-----------|
| U.S. dollar (\$100,000)  | 6.750    | 6.750    | 7.125     |
| U.S. dollar (\$100,000)  | 7.500    | 7.500    | 7.500     |
| French franc (FF100,000) | 2.000    | 2.000    | 2.250     |
| Swiss franc (SF 200,000) | 2.825    | 2.825    | 2.750     |
| Yen (1 million yen)      | 3.125    | 3.000    | 3.125     |

SOURCE: BANK LEUMI. Rates vary according to size of deposit.

**Shekel Foreign Exchange Rates (Nov. 6)**

| Currency                | Buy    | Sell   | Banknotes | Rep. Rates |
|-------------------------|--------|--------|-----------|------------|
| U.S. dollar             | 1.8840 | 1.7050 | 1.52      | 1.59       |
| U.S. dollar             | 1.5503 | 1.5857 | 1.52      | 1.59       |
| Deutschmark             | 0.8267 | 0.8383 | 0.91      | 0.95       |
| French franc            | 2.7665 | 2.8071 | 2.71      | 2.83       |
| French franc            | 0.2778 | 0.2778 | 0.28      | 0.28       |
| Japanese yen (100)      | 1.1468 | 1.1632 | 1.13      | 1.18       |
| Dutch florin            | 0.8240 | 0.8343 | 0.81      | 0.85       |
| Swiss franc             | 1.116  | 1.1416 | 1.11      | 1.121      |
| Swedish krona           | 0.2565 | 0.2587 | 0.25      | 0.261      |
| Norwegian krona         | 0.2441 | 0.2472 | 0.24      | 0.25       |
| Denish krone            | 0.2322 | 0.2422 | 0.23      | 0.24       |
| Finnish mark            | 0.3753 | 0.3900 | 0.37      | 0.38       |
| Canadian dollar         | 1.1746 | 1.1892 | 1.15      | 1.20       |
| Australian dollar       | 1.0716 | 1.0716 | 1.07      | 1.07       |
| S. African rand         | 0.7938 | 0.8037 | 0.82      | 0.82       |
| Belgian franc (10)      | 0.4401 | 0.4466 | 0.43      | 0.45       |
| Austrian schilling (10) | 1.3123 | 1.3294 | 1.29      | 1.35       |
| Italian (1,000)         | 1.2514 | 1.2772 | 1.25      | 1.277      |
| Jordanian dinar         | -      | -      | 4.28      | 4.447      |
| Egyptian pound          | -      | -      | 0.68      | 0.70       |
| ECU                     | 1.9154 | 1.8394 | 2.41      | 2.55       |
| Irish punt              | 2.4803 | 2.4811 | 2.41      | 2.43       |
| Spanish peseta (100)    | 1.2762 | 1.3834 | 1.34      | 1.358      |

SOURCE: BANK LEUMI.

**Foreign Markets**

**EUROPEAN FINANCIAL MARKETS (Nov. 6)**

**Precious Metals**

| Gold            | 1 month | 3 months | 6 months | 12 months |
|-----------------|---------|----------|----------|-----------|
| London a.m. fix | 458.00  | 458.00   | 458.00   | 458.00    |
| London p.m. fix | 460.00  | 460.00   | 460.00   | 460.00    |
| Paris p.m. fix  | 460.00  | 460.00   | 460.00   | 460.00    |
| Zurich p.m. fix | 460.15  | 460.15   | 460.15   | 460.15    |
| Spot fix        | 460.15  | 460.15   | 460.15   | 460.15    |

**Libor Rates**

| Gold            | 1 month | 3 months | 6 months | 12 months |
|-----------------|---------|----------|----------|-----------|
| London a.m. fix | 458.00  | 458.00   | 458.00   | 458.00    |
| London p.m. fix | 460.00  | 460.00   | 460.00   | 460.00    |
| Paris p.m. fix  | 460.00  | 460.00   | 460.00   | 460.00    |
| Zurich p.m. fix | 460.15  | 460.15   | 460.15   | 460.15    |
| Spot fix        | 460.15  | 460.15   | 460.15   | 460.15    |

**Foreign Currency Crossrates (London 15:30 GMT)**

| Forward rates   | Spot     | 3 months | 6 months | 12 months |
|---|----------|----------|----------|-----------|
| Forward rates <td>1.784055</td> <td>1.784055</td> <td>1.784055</td> <td>1.784055</td> | 1.784055 | 1.784055 | 1.784055 | 1.784055  |
| Forward rates <td>1.784055</td> <td>1.784055</td> <td>1.784055</td> <td>1.784055</td> | 1.784055 | 1.784055 | 1.784055 | 1.784055  |
| Forward rates <td>1.784055</td> <td>1.784055</td> <td>1.784055</td> <td>1.784055</td> | 1.784055 | 1.784055 | 1.784055 | 1.784055  |
| Forward rates <td>1.784055</td> <td>1.784055</td> <td>1.784055</td> <td>1.784055</td> | 1.784055 | 1.784055 | 1.784055 | 1.784055  |

**Share indices**

| Commerzbank 80 stocks | Financial Times 100 stocks |
|-----------------------|----------------------------|
| 1,407.0 +10.4         | 1,608.9 -28.9              |

**NEW YORK FINANCIAL MARKETS (Nov. 6)**

**U.S. Money Rates**

| Prime rate       | Fed funds (late) |
|------------------|------------------|
| 8.75%            | 6.34%            |
| Long term bond   | 100 892.932%     |
| NY Euro (3 mos.) | 7.516-3/16%      |

**New York Foreign Exchange**

| DMK      | SR       | STG      | YEN      | CAN      |
|----------|----------|----------|----------|----------|
| 1.695/95 | 1.374/50 | 1.788/70 | 134.85/2 | 1.318/03 |
| High     | 1.6885   | 1.3840   | 1.7820   | 1.35.65  |
| Low      | 1.6885   | 1.3710   | 1.7750   | 1.3473   |

**Comment:**

The dollar finished lower, weighed on by persistent doubts over the ability of Washington officials to fashion a credible deficit-reduction package. It did receive some support from news that the Republicans would offer \$75.5b. in cuts in the budget deficit over the next two years in ongoing budget talks, but overall sentiment remained bearish.

**Precious Metals**

| Gold       | Spot   | Silver     | Spot  |
|------------|--------|------------|-------|
| Spot       | 462.25 | Spot       | 6.505 |
| Prev close | 458.25 | Prev close | 6.285 |

**Wall Street (Prices as of 16:00 GMT)**

**Market indices**

| NYSE           | NYSE High | NYSE Low | NYSE Vol. |
|----------------|-----------|----------|-----------|
| DJ Industrials | 1,559.05  | 1,559.05 | 32        |
| DJ Transport   | 78.25     | 78.25    | 18 1/2    |
| DJ Utilities   | 188.06    | 188.06   | 26 1/2    |
| NYSE Comp      | 731.54    | 731.54   | 26 1/2    |
| NYSE Comp      | 140.07    | 140.07   | 2 1/2     |
| NYSE Inds      | 186.58    | 186.58   | 26 1/2    |
| NASDAQ         | 326.40    | 326.40   | 26 1/2    |
| S&P 500        | 241.20    | 241.20   | 31 1/2    |
| S&P Comp       | 250.41    | 250.41   | 119 1/2   |

**Statistics**

| NYSE        | Volume      | NASDAQ      | Volume      |
|-------------|-------------|-------------|-------------|
| NYSE        | 228,230,000 | NASDAQ      | 141,538,600 |
| Stocks up   | 808         | Stocks up   | 1,428       |
| Stocks down | 722         | Stocks down | 1011        |

**Comment:**

A calm and mostly higher stock market turned sharply lower in the last few minutes of trading Friday when the New York stock exchange said it would again permit program traders to be executed on its automated delivery system and investors grew nervous. Traders said they said that shortly after the NYSE made the announcement at about 14:30 EST, a number of large program traders knocked stock prices down. The Dow Jones industrial average closed with a 26 point loss at 1088. It had been up 12 points a half-hour before the early close at 15:00 EST. For the week, the market lost about 34 points.

**Israeli Stocks Traded in New York**

| NYSE/Amex   | Last    | Prev. close | High   | Low    | Vol. ('000s) |
|-------------|---------|-------------|--------|--------|--------------|
| Alliance    | 22 1/2  | 22 1/2      | 22 1/2 | 22 1/2 | 18           |
| Am Ar Pap   | 1 1/2   | 1 1/2       | 1 1/2  | 1 1/2  | 57           |
| Am Ar Pap   | 6       | 6           | 6      | 6      | 7            |
| Carmel Cont | 1 1/2</ |             |        |        |              |



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## Rifts beyond repair

THE ARAB SUMMIT meeting that opened in Amman yesterday is beset by such a roster of divisive issues that even the best rhetorical virtuosity will not be able to erect the routine facade of unity.

Foremost, of course, is the split among the Arab countries that derives from the Iraq-Iran war. Iraq's leader, Saddam Hussein wants the conference to become a lever of support against Iran. But that desire is fiercely opposed by Syria, Libya and Algeria. In fact, it is assumed that one principal reason for the attendance of Syria's Hafez Assad is precisely to assure that no such move is made.

But for Assad this too is a tricky matter. On the one hand, he is as hostile as ever to the Iraqi regime, and supports Iran, despite the troubles caused him in Lebanon by the fundamentalist Hizbullah groups directed from Teheran. On the other hand, he does not wish to cross the line that would cost him the continued financial support his shaky economy receives from the Gulf states and Saudi Arabia, also targets of Iranian hostility.

These clashing currents were too strong for Saudi Arabia's King Fahd, who decided, therefore, that it would be wiser for him to avoid Amman altogether and stay at home.

The Iranian issue meshes into the conflicting positions regarding Egypt. The summit was intended to be a bridge that would bring Egypt, an important strategic force in support of Iraq and the Gulf states, back into the Arab League. But despite President Mubarak's diplomatic efforts, Mr. Assad is apparently in a position to prevent that.

Strategically that is of minor import. Egypt will continue, by virtue of its power, to be the chief Arab political and military buttress for those states threatened by Iran. And it will continue to reap the benefits that, in consequence, are its due.

However, the persistent strain between Egypt and Syria will discomfort the conference host, King Hussein, who shuttles between both of these strong neighbours of his kingdom.

That strain then flows into the third issue which, at least officially was supposed to be on the agenda of the summit, namely the nature of further negotiations involving Israel. Here too, Syria and its allies, are firmly set against sanctioning the kind of international forum that both Jordan and Egypt are willing to accept.

Implicitly, Syria has the support here of Yasser Arafat. But the PLO leader is still on President Assad's wanted list, and remains outside the good graces of King Hussein as well. As a result, what is called the Palestinian question and the conflict with the Zionist foe will be only a minor subject for the conference, though it will probably be hoisted for rhetorical purposes to lend the summit the appearance of a rallying point.

As if all these points of division were not sufficient, there then emerged the hasty ouster of Tunisia's venerable old leader Habib Bourguiba to provide another friction point.

The Tunisians want the summit to sanction the ouster and the new rulers. That may be difficult to achieve. In any case, the events in Tunisia apparently have kept King Hassan, worried about what may now happen across his border, at home. His absence deprives the conference of some of the panache and display of pan-Arabism the organizers hoped to mount.

There is good reason to believe, therefore, that rather than modulate the prevailing disputes, the conference may very well only serve to deepen them.

## ABUNIDAL

(Continued from Page One)

The movement has warned Arab leaders against authorizing King Hussein to enter into separate negotiations with Israel over the fate of the Israeli-occupied West Bank.

Foreign Ministry sources in Jerusalem said last night that they knew nothing about the alleged hijacking. The security authorities were busy yesterday evening checking harbours and marinas for information about possible yacht departures during the past day or two. Yacht owners and marina managers questioned by *The Jerusalem Post* in Haifa, Acre and Nahariya disclaimed knowledge of the boat or of the passengers named in the terrorist announcement.

Observers suggested that if the Abu Nidal claim was true, the yacht in question presumably sailed from an Israeli harbour and was hijacked near the Lebanese coast rather than Gaza, as the terrorists claimed. It is highly unlikely that an Israeli vessel would have been hijacked off Gaza or that the terrorists would have managed to sail her parallel to Israel's coastline all the way to Lebanon without the Navy sensing that something was amiss.

Belgian authorities said yesterday

in Brussels that they were trying to establish the fate of their five nationals reportedly in the hands of the terrorists.

Foreign Minister Leo Tindemans told state-run RTBF television he had no information on what the Belgians were doing in the region.

"According to our initial information, the abduction could have been two days ago, or maybe yesterday. But we have no confirmation of that," he said.

No relatives of the people involved had contacted the ministry. Curiously, the family hasn't told us anything. There's been no phone call, no alert, nothing," Tindemans said.

The French authorities were checking the registration of the *Silco* last night. "The number given by the news agencies does not match with the French licensing records for such boats," a high ranking French official told *The Post*.

Port authorities in Cannes acknowledged that such a boat had indeed been anchored there three years ago, but under different ownership. The boat owner had wanted to sail to Morocco, but he had been denied a permit because the boat had not met safety standards.

## CABINET

(Continued from Page One)

ters that it was counter-productive to leave the law about use of force as it stands, in its conveniently vague formulation which refers to the "use of force when so needed."

Education Minister Yitzhak Navon urged that the committee of four ministers be expanded to include the police minister and the attorney-general. This would afford it a broader spectrum of views and proposals, he said. But an authoritative source said last night that the attorney-general would "follow the work of the special committee very closely."

Navon also suggested that the four-man committee study the secret section of the report, available to all ministers though not all have yet read it, since there is only one copy and they have to wait their turn. It should then formulate guidelines from that section, to be submitted to the full cabinet for approval, he said. Navon failed to win backing for either suggestion.

Industry and Commerce Minister Ariel Sharon grumbled at the Landau Commission's failure to attach

any ministerial responsibility to the faulty procedures of the GSS, even though these had included perjury for 16 years. Sharon said that both the Kahan and the Bejski commissions, the former on the Sabra and Shatilla massacre and the latter on the bank shares crash, had focused on ministerial responsibility.

Sharon said it seemed that, in the GSS inquiry, the issue of ministerial responsibility was dodged for political reasons. "Ministerial responsibility cannot be brought up in one case and buried in another case, just because it happens to be politically convenient," he said. "In the refugee camps affair, I was pilloried as the minister responsible, for things I knew nothing about."

"The latest commission, which says the political echelon did not know what was going on (any more than I did in Beirut), does not even suggest that those responsible for the GSS ought to have made it their business to know. I shall continue to try to reverse the Kahan Commission's strictures against me, but, of course, by democratic means."

# Dealing with fears and fantasies about Aids

Ram Ishai

WITHIN A FEW days, I participated in two international meetings where the main subject was Aids. The first, in Madrid, was the annual assembly of the World Medical Association, whose scientific session dealt with the subject. The ethical committee worked on the draft of a declaration on Aids.

The second meeting, which took place in Paris, dealt with the topic of an international approach to the disease. It was organized and sponsored by the French government. All the participants agreed that Aids is not only a medical problem, but a public issue with implications on life values, attitudes to sex and death, society, economics and politics within and between countries.

Public attitudes to Aids vary from panic to resignation. Obviously, the less reliable information one has, the more one reacts emotionally. The prognosis is not optimistic, and the risk groups are widening, although the situation varies from one country to another. The risk groups are still the ones mainly afflicted, but through contacts between drug addicts or homosexuals and other partners, the risk is spread to expanding sectors of the population.

Fear of the disease is tremendous, because of the long period of latency before any symptoms appear. The uncertainty, the fatal prognosis, of a disease for which no cure exists, has aroused the irrational which exists in every person.

Aids, in fact, is not a disease but an unhealthy condition which turns the person affected into a high risk because of a deficiency in the body's defence system. The sick person is exposed to different kinds of infections which, under normal conditions, he would have easily overcome.

Jacques Attali, in his book *Vie et Mort de la Medecine*, points out that in the year 1812, S. Butler described a situation in which consumptives were liable to be prosecuted and even put in jail while thieves and rapists could receive treatment in hospitals. In all periods, epidemics have caused panic and irrational behaviour; to Aids is added another factor which contains two taboos: sex and death. They are linked together, and form an equation: Sex equals Death.

Regardless of any proved relation between cause and effect, fantasies and fears have developed. The reaction to almost complete permissiveness in sex in the recent past seems to be "pure sex" and continence.

People who were manifestly unbelievers speak today of "punishment from heaven."

Reactions go beyond the health service and have an influence on all aspects of life. There is talk of restricting mobility from one country to another as a means of preventing the entry of homosexuals who come, for example, from San Francisco; of limiting the right to the education of children and to the employment of workers. Fear creates aggression and looks for scapegoats, the guilty ones who should be ostracized, isolated, even imprisoned.

The question of prevention of the disease raises difficult problems. On the personal level, people who come in contact with the sick tend to protect themselves. Ophthalmologists in the U.S. treat high-risk clients in an indirect manner, with special protective equipment, because of fear that the disease may pass through tears. Dentists do likewise.

On the public level, it is difficult to find the balance between efficient surveillance and gross intrusion into an individual's freedom. The authorities should try not to get panic and ignorance mixed up with the safeguarding of interest groups who over-react, and create an atmosphere of witch-hunting.

In many countries, Aids has become a notifiable disease like other contagious diseases; there is apprehension that this may prevent potential patients looking for medical help and relief of stress.

While there is an almost general consensus that the sick should be reported, there are great arguments regarding the sero-positives. It does not seem logical to turn the sero-positives into stigma-bearers. It is known that the risk of their becoming sick is small.

Aids is actually a relatively non-contagious disease. Contamination is difficult, and possible only through direct contact between body liquids, either through sexual relations or the use of needles by drug addicts.

There has been a suggestion that risk-groups be obliged to pass tests; but contrary to the relatively limited number of the sick, the number of those at risk is huge, and a negative result has no value because it illustrates the situation on a particular day.

Since it is impossible to perform

the daily check-up of a large population, the suggestion has no great value. This is why tests should remain anonymous when they are performed. The value of the test is mainly for epidemiological purposes, to assess the scope of the diffusion.

According to a survey done in San Francisco and based on the ratio between the sero-positive and the sick, one can estimate the number of sero-positives in the U.S. at over a million people.

When we check the behaviour of the disease, we find great differences, not only in the number of cases, but also in its behaviour according to the various risk-groups.

In France, the largest number of the sick is among homosexuals, and contamination is sexual (75 per cent).

In Japan there are very few cases altogether, and only 2 per cent of these are passed through sex. This can be related to the widespread use of condoms.

In Greece, where there is also a relatively small number of cases, only 4 per cent are drug addicts. This may be related to the free supply of syringes.

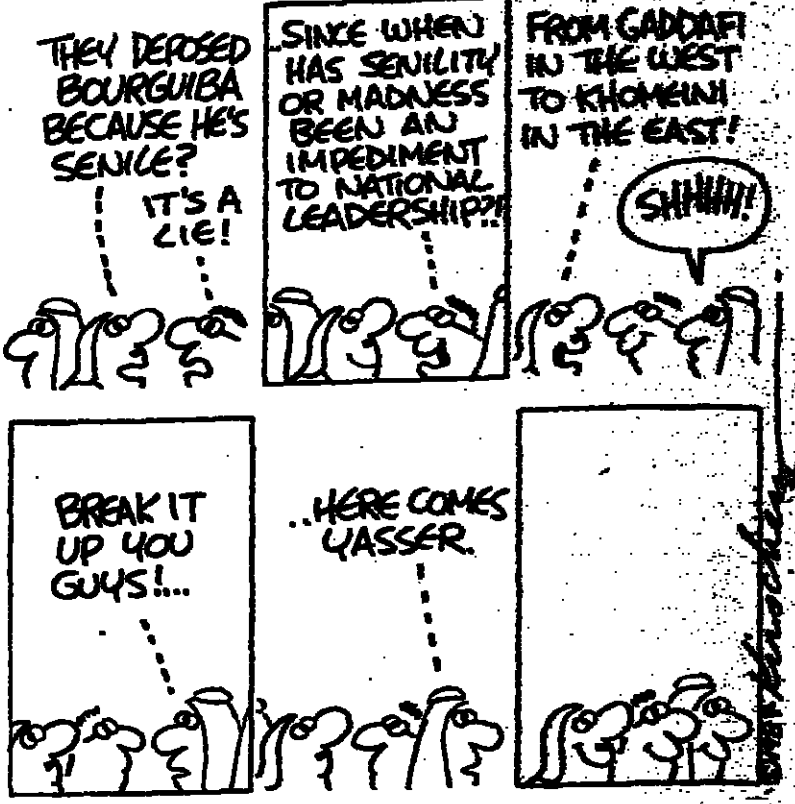
IN ISRAEL, there are 45 known cases; 12 of them are hemophiliacs (from imported blood), the rest are homosexuals. A follow-up of a group of 1,000 homosexuals by Prof. Ze'ev Handzel revealed that 8 per cent were sero-positive and of these, 10 had become sick. A big educational campaign is in progress here with the aim of preventing panic. The use of condoms has been widely recommended, and prostitutes were the first to cooperate with the Ministry of Health. Anonymity is strictly preserved, and sero-positives are identified by a code number. This is done to encourage people to come for checks and follow-ups.

One aim is to remove stress, which usually weakens immunity to viral infections, and in Aids may also lead to overwhelming deep depression, and loss of hope.

In general, the psychological aspect may become a serious factor in the spread of the disease. There is also a need for in-service training for doctors to enable them to cope whenever they are called upon to do so.

THE OUTSTANDING feature of the Paris symposium was the confrontation between developed and developing countries on the issue of

## Dry Bones



Aids, especially between Europe and the U.S. on one hand and Africa on the other.

The delegates of the African countries, many of them health ministers or high court presidents, complained bitterly about the stigma affixed to Africa as the source of the disease. They also pointed out that one should not ignore the fact that millions were dying every year from "common" diseases such as measles or malaria. Their countries had not enough funds for research, for education of the population, for diagnosis and follow-ups.

They also noted that the slow-down of new cases in the Western countries, thanks to a change in sex habits, was almost impossible to achieve in their countries at present.

Finally, foreseeing the discovery of a treatment for the disease, may be in the near future, they were worried that they would be debarred from using it, again for economic reasons.

Their conclusion was that the time had come to set up an international agency for the coordination of activities on Aids, and for securing "equality" against the disease.

The Western delegates agreed about the need to act, but nobody mentioned finances.

Actually, the problem is simple: new financial resources must be found in order to combat Aids, or priorities must be changed and monies allocated to other health issues

must be diverted to Aids. In such a case we will confront very serious ethical problems.

Israel is already working in collaboration with France in various fields: isolating the virus; clinical experiments; and lately, experimental treatments with AL 721 and with thymic extract.

But so much is still unknown regarding the behaviour of the virus: it is not clear why the duration of the latency of the disease is so different in different people. What is the role of the virus in the outcome of the disease, and the role of the co-factors? Nor is the tropism of the virus towards lymphocytes T4 or macrophages clear.

Finally, the great variability of the virus from the genetic, biological and cyto-pathogenic point of view makes the preparation of vaccine and experiments in treatment most difficult.

No lone researcher can overcome all these difficulties, and international cooperation is therefore essential.

The number of Aids cases in Israel is fortunately not sufficient for research in diagnostic methods and experimental treatment. During the Paris symposium, the Israeli delegates established relations with delegates from African countries with the purpose of improving research for the benefit of both sides.

Dr. Ishai is head of the Israel Medical Association.

## READERS' LETTERS

### ANTIQUATED MODE OF THOUGHT

To the Editor of *The Jerusalem Post*

Sir, - Charles Hoffman's perceptive report on the recent Conference on Jewish Demography (October 30) rightly pinpointed the political manipulation and the financial exploitation which underlay what he termed the hidden agenda of the entire proceedings. The failure to permit thorough, serious discussion of vital topics such as family planning (as distinct from the emotional, unscientific filibusters of the Eilat representatives referred to in Hoffman's article) was deeply frustrating to those of us who participated in the conference because of our profound concern with various aspects of the subject that never received an airing.

Thus, for example, not a single session was devoted to women and children's health - a topic which should guide anyone concerned with population growth, childbirth, child care and child rearing. The predominantly male roster of speakers (only 8 per cent of Israeli and 21 per cent of overseas participants were women!) spoke of optimal family size as though human lives and functions were in no way connected with the subject. None of the most recent research findings of bodies such as Unicef and the World Health Organization were cited. Had they been, we might have learned, for example, that the optimal spacing between one child and the next is now considered to be five years; that the

optimal child-bearing age is between 20 and 35; that family size is a vital factor in determining the physical, emotional and intellectual well-being of all the children in a family - something many parents have of course learned from personal experience, but which none of the aged gentlemen who lectured women on the need to "produce" more children seemed aware of.

Altogether, the most objectionable aspect of the conference was perhaps the patriarchal premise on which it was based: we need large families in order to preserve the Jewish people; large families require mothers who devote themselves wholeheartedly to childbirth and child rearing; mothers who work outside the home have fewer children, ergo women must leave the work-force and return to their God-ordained duties of *Kinder und Küche* (Kinder, of course - in Judaism - is a sphere from which they are markedly excluded!).

This antiquated mode of thought dominated the proceedings. It is disquieting that the International Coordinating Committee will in all likelihood be composed almost exclusively of males who are well past parenting age and who appear wholly ignorant of, and impervious to, the true needs of the contemporary family in general, and of contemporary women in particular.

ALICE SHALVI  
Jerusalem.

### QUALITY OF STAFF

To the Editor of *The Jerusalem Post*

Sir, - I was very pleased to read in your editorial of October 23 that there is hope for a future improvement in the processing of immigrants.

Personally, I feel that not enough attention is being paid to the quality of staff in the various ministries and institutions that olim have to attend in their settling-in process.

As long as there are office clerks (and sometimes managers too) whose attitude is "why should I help them - who helped my parents when I came in 1948?" (said to my family

by an official at the Ministry of Absorption in Jerusalem) and often "You are not in America now, you know" (I am from Britain) - and this attitude thrives among the operatives of the absorption system - there will be fear of aliyah among the Jews of the Diaspora.

The most important areas for reform are those of personal contact with the new immigrant. We must not be made to feel beneath contempt just because we have made aliyah.

A. SHIFFER  
Netanya.

### IRRESPONSIBLE POLITICIANS

To the Editor of *The Jerusalem Post*

Sir, - N.D. Gross, in his lively column of October 16, writes that "...no bright future awaits the nation that allows itself to be pushed around by thugs disguised as freedom-fighters or by freedom-fighters who act like thugs, and that fails to muster all its resources to extirpate those who treat non-combatants as fair game."

Without putting words in Mr. Gross's mouth, that future is plain. People in Israel will not stand for the situation he describes and which is the one we are living in right now. If the responsible politicians who form

our government continue to refuse to "muster all its resources to extirpate" these mad dogs, the voters will go to irresponsible politicians whose only virtue is their declared willingness to do so.

Every time I see a news item reporting the death of a Jew for the crime of being Jewish in his own homeland, I roll up my eyes and think, another thousand votes for Meir Kahane. So far, he stands alone in his kind; who knows how many like him there will be tomorrow.

Petah Tikva. DONN O'MEARA

### BRITISH-ISRAELI RELATIONS

To the Editor of *The Jerusalem Post*

Sir, - As an Englishman also, I should like the opportunity of commenting on the letter of Major Legge (October 25) who was disappointed on visiting Israel at finding a less than wholehearted appreciation of Britain's services to the State of Israel.

Major Legge should know that, while not a vengeful people (despite Shakespeare's portrayal of Shylock), the Jews have long memories and are generally well-informed on matters which affect them directly. He objects to the term "British occupation," and pleads that the British were in Palestine under a League of Nations mandate. The fact is that it was a mandate of their own seeking whose terms they set about frustrating almost from the day they assumed it. Their tactics for performing "the unenviable job of keeping the peace" were to set the local communities at each other's throats. It is a fact, too, that by defying their mandatory obligations and closing the door to all but a trickle of immigrants in 1939, the British became accessories before, during and after the fact of the Final Solution. Nor did the Major, nor his comrades in arms, fight the Nazis on behalf of the Jews, but on behalf of Britain itself.

It is a fact too, that after the war and during the conflict which surrounded the formation of this state, the actions of the British government of the day were directed towards the destruction of the Jewish homeland with all the power and influence (fortunately limited by their reliance on American goodwill) at their command. Twice in recent history, British governments have played with the intention of military assaults against this country, and to this day, there is a British arms embargo against us and free trade in arms with sworn enemies who outnumber us nearly 50 to one.

The great wonder is the vast reservoir of goodwill and affection in Israel towards the people of Great Britain who, it is recognized, despite the incurable perfidy of their successive governments, remain the fairest-minded and sanest people on earth.

DR. DAVID WOLFER'S  
Jerusalem.

### THE GRAVE OF THOMAS HODGKIN

To the Editor of *The Jerusalem Post*

Sir, - The discoverer of Hodgkin's disease is buried in Jaffa. Thomas Hodgkin (1768-1866) made his discovery at Guy's Hospital, London, in the glorious era of Bright and Addison who discovered the diseases also named after them while working there.

Hodgkin, a strict Quaker, had a remarkable friendship with Moses Montefiore (1784-1885) and acted as his personal physician on numerous visits to the Middle East including Palestine and also acted as his secretary. Hodgkin was particularly active in drawing up plans for the first settlement outside the walls of the Old City of Jerusalem - Mishkenot Sha'ananim, later to become Yemin Moshe. Hodgkin was also involved in improving the poor sanitation of the Old City and in establishing a technical college for artisans and agriculturalists.

Being interested in the history of medicine, I sought and found Hodgkin's grave with difficulty in 1984. The small cemetery adjacent to the Church of Scotland School in Jaffa was in a deplorable state of neglect.

Montefiore had erected a red granite obelisk about six feet high, but it was obscured completely by a tree. The rest of the cemetery was densely overgrown, with some graves, dating from the middle of the last century, sunken. The principal explained that the Church of Scotland School had the key to the cemetery, but no responsibility for its upkeep, as it was the property of

the Anglican Church. On my return to South Africa, I drew attention to the deplorable state of the grave and surroundings in a letter to Guy's Hospital, inter alia.

On my present visit, I found some of the undergrowth had been cleared, but the obelisk of Hodgkin's grave had developed a tilt and the long inscription had become hardly legible. More alarming was the sodden state of the ground, with a distinct sewage odour, which could be a health hazard for the school's pupils.

I believe that Hodgkin, one of the great physicians of our age and a benefactor of pioneering Zionism, deserves a better resting place. I also believe that the grave would be a worthy site for tourists to visit once it is restored.

H. DUBOVSKY  
Tel Aviv (Bloomfontein S.A.).



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